

150 من الاصل



THE INDEPENDENT

Nº 8355

TUESDAY 22 JULY 1997

WEATHER: Warm and sunny (IR 45p) 40p


IN THE TABLOID
WHY WOMEN LOVE LIFE AT 50



IN THE TABLOID
THE TATE AT 100: HITS, MISSES AND BRICKS



INSIDE THE TABLOID
Network + THE VICAR AND THE VICE SQUAD



Ulster holds its breath as Trimble agonises



Holding out: David Trimble, the Ulster Unionist leader, at a Westminster press conference after attending talks in Downing Street yesterday. Photograph: Andrew Buerman

Colin Brown
Chief Political Correspondent
Michael Streeter
Belfast

Cross-party peace talks in Ulster will go to the brink during the next 24 hours, although Tony Blair's success in preventing David Trimble, the Ulster Unionist leader, from walking out over the critical issue of decommissioning, raised hopes that the peace process can be saved.

The Government was holding on to the hope that the Unionists would wish to avoid precipitating a crisis. Mo Mowlam, the Northern Ireland Secretary, declared that the Unionists were "still talking - they are not walking" after a 75-minute meeting in Downing Street. Mr Trimble said: "We will not shirk our responsibilities. We are not in the mode of walking out."

In spite of the IRA ceasefire, the Unionists are holding out for written guarantees that decommissioning of terrorist weapons will take place during

the cross-party talks, before they sit down with Sinn Féin. Mr Trimble added that he would be consulting the community in Ulster. That was seen in Dublin as an ominous sign that the Unionist leaders are preparing to hold out, and seek the backing of the Unionist community in Ulster to avoid being blamed for the deadlock.

The crunch may be avoided tomorrow by putting off a vote in Belfast on the joint Anglo-Irish plans for decommissioning. But the two governments have a full-back plan, to carry on with proximity talks, in which the parties would not be sitting at the same negotiating table. The results would be put to referendum next May in Ireland, North and South.

Mr Blair is today expected to make a renewed appeal by telephone to the Ulster Unionist leader in Belfast. However, Mr Trimble said yesterday that verbal assurances from Mr Blair were not enough.

The former Canadian general John de Chastelain, who will be

appointed chairman of the decommissioning body, last night confirmed it could be up and running before the substantive talks begin in September.

Meanwhile, the political fallout from the IRA ceasefire continued in Belfast, when one of the small unionist parties

walked out of the peace talks in protest at the presence of a Sinn Féin delegation.

The Sinn Féin team, led by the party chairman, Mitchell McLaughlin, arrived at the castle buildings in Stormont to set up offices for their likely entry into the talks on 15 September.

The UK Unionist party, led by MP Robert McCartney left the building within minutes, claiming it had always promised that it would not take part in negotiations with any party which supported violence or associated with any group which still held the means for violence -

a clear reference to the controversial issue of decommissioning weapons.

The Democratic Unionist Party, led by Dr Ian Paisley, stayed away from Stormont yesterday and is likely to make a decision on its stance after talks with Tony Blair today.

Mr McLaughlin, who was accompanied by the leading Sinn Féin figure Gerry Kelly, a convicted IRA terrorist, said the door should be kept open for Unionists to re-enter the process.

He said: "In the past, Unionists have walked out only to return at a later date."

Trimble said if there was no "significant change", his party would vote down the decommissioning proposals at the meeting in Stormont tomorrow.

Downing Street said that the two deadlines, for the start of talks on 15 September, and the end of talks in May, 1998, were not negotiable.

Inside the IRA arsenal

TYPE	ROLE	QUANTITY
Webbby 300	revolver	40
AK-47/AKM	assault rifle	600
Armalite AR-15	assault rifle	a few dozen (500)
12.7mm Barrett B2A1 (2 captured in April)	sniper rifle	0
7.62mm FN MAG	machine gun	12
12.7mm x 107mm BSX	heavy machine gun	20
SAH-7	anti-aircraft missile	1
RP-7	rocket launcher	40
LPO-50	flamethrower	5
Detonators	for use in bombs	600
Semtex	high explosive	3 tonnes

Intelligence sources in Britain and the Irish Republic estimate that there are just 40 people actively involved in executing IRA operations, and perhaps 400 overall. Most of their arms are stored in the Irish Republic, but small stocks are held in Northern Ireland.

Large consignments came from Libya and Czechoslovakia, but more recently most attempted deliveries have come from the US, although most were foiled by the FBI and US Customs.

The IRA is estimated to have enough small arms, machine guns and ammunition to equip the equivalent of two British army battalions and to sustain its guerrilla war indefinitely. In addition to the arms listed in the table, the IRA relies primarily on home-made explosives - Anfo (ammonium nitrate and fuel oil) and Coop (weedkiller and sugar).

These explosives are highly effective, but need a high explosive like the Czech-made plastic explosive Semtex to set them off.

Christopher Bellamy

Family blame Oxford for student's death



Kim Sengupta and Lucy Ward

The suicide of a brilliant young history student at Oxford University triggered a bitter row yesterday after her family said "We are compelled to issue a health warning to other parents of potentially vulnerable and sensitive young people - don't send your children to Oxford, it is not safe."

Sarah Napuk, aged 22, a third-year student at Lady Margaret Hall, who had been offered a Kennedy scholarship to

Harvard, was found hanged in her room while she was seeking counselling.

Her family maintain that their daughter was "depressed and afraid" of failing her final exams. She had been repeatedly told by her tutors that she would obtain a First Class degree, as she was "one of the best history students at Oxford".

They felt so concerned that they wanted to make an open statement to the inquest into the death, due to open tomorrow. But this was refused by the coroner. Her parents, Kerry and An-

gela Napuk have now decided not to attend the inquest.

The family had received a letter from one of Ms Napuk's tutors which said: "... I am wondering whether Oxford puts really inappropriate pressures on our young people and whether the support and assistance is there to see people through properly? During the past five years, three of my pupils have taken their own lives."

The public stance taken by Ms Napuk's parents has stirred a renewed debate about the tremendous pressure put on un-

dergraduates, which is believed to have contributed to an alarming number taking their own lives. The university authorities had carried out an inquiry in 1993 which had, it says, strengthened the "safety net" for those who had found it difficult to cope. But Sarah's parents say they found fatal flaws in the system, under which there is no cohesiveness counselling structure.

Mr Napuk, a 58-year-old company director, told *The Independent*: "The response we got from the chair of student health, Rev Professor Ernest

Nicholson, was inadequate and unsatisfactory. They do not seem to want to accept there is a serious problem."

But Professor Nicholson told *The Independent*: "We totally refute these claims. We understand Mr and Mrs Napuk are suffering from a lot of grief, but it is not true that the University is somehow neglecting the welfare of the students. Of course there is tremendous pressure at Oxford. But the huge majority of students manage to cope with that."

Tarnished prizes, page 3

QUICKLY

Utility kicks out boss
Shares in United Utilities, the electricity and water supplier for the North-West, dropped by almost 10 per cent after the group stunned the stock market by ousting its chief executive, Brian Staples, tightening the hold on the company of its executive chairman, Sir Desmond Pither. Mr Staples, who had a two-year contract, may be eligible for a pay-off of £1m. Page 16

China steps in
A British memorial to the dead of two world wars will soon be guarded by the People's Liberation Army of China. It will take part in ceremonies and provide a guard for the Cenotaph in Hong Kong following the British withdrawal last month. Page 3

London crime surges
Violent crime in London has risen by a third in the past year and sex attacks have increased by a quarter. Robberies and street crime also rose, in spite of an anti-mugging campaign by Scotland Yard, according to its annual report. Page 7

City takes shine off Brown's glowing beginning-of-term report from IMF

Anthony Bovins
Political Editor
Diane Coyle
Economics Editor

Gordon Brown's economic policies today receive the enthusiastic blessing of the International Monetary Fund. In a glowing testimonial to the Chancellor, the IMF says: "The new government has made an excellent start. It has set a high standard for its economic policies, aiming to maintain stability and foster long-term growth while seeking fairness and developing human potential."

"And it has taken decisive steps towards these goals by making the Bank of England independent, introducing a budget that makes rapid strides toward sound public finances, and initiating Welfare to Work and other programmes to enhance employability."

The findings of the IMF's annual inspection could not con-



BROWNIE POINTS

trast more sharply with the highly-damaging 1976 demand for £2bn spending cuts, which knocked the last Labour government completely off course.

However, it runs counter to the widespread opinion in the City that the Chancellor missed the chance to use the Budget to cool the current consumer boom.

That criticism was voiced afresh yesterday by eminent City economists addressing MPs on the Treasury Select Committee. "We should not be surprised if there turn out to be major errors in the Budget judgment," said Roger Bootle, of HSBC Markets.

Some officials in both the Bank of England and the Treasury share the view that tax increases would have taken some of the pressure to cool the overheating economy off the Bank's new Monetary Policy Committee. They argue that the price being paid for Mr Brown's omission is the strong pound, hitting export orders.

While today's report from the IMF finds no fault with the policies of the Government, it does flag up problems ahead, particularly on the conflicting pressures between the need for savings and the consumer boom, and the need for public spending restraint and

promised increases in health and education spending.

At one point, the report urges the Chancellor of the Exchequer to consider an extension of the VAT base, to damp down spending. However, a source close to Mr Brown said last night that there was no question of the Government breaking its election pledges on VAT.

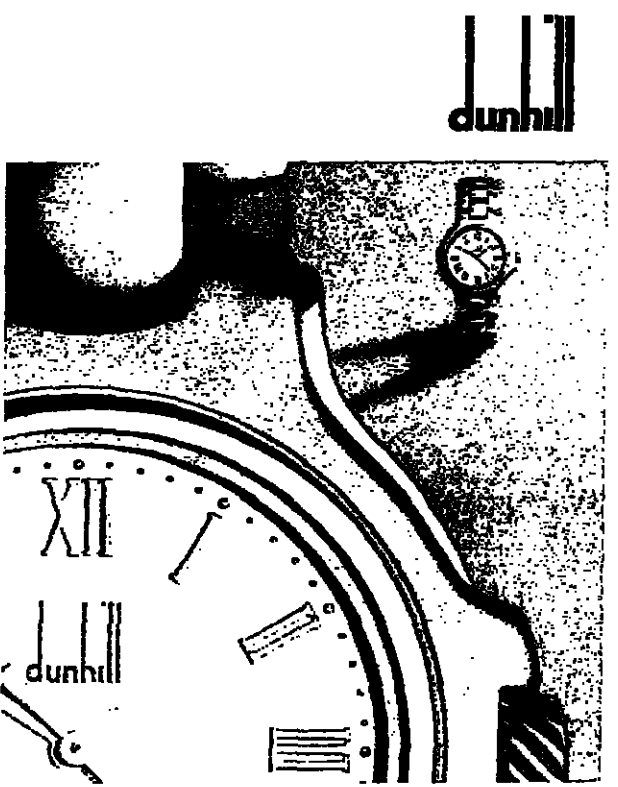
As for the Tories' legacy, the report says: "Behind the impressive macroeconomic performance - strong growth, declining unemployment, and low inflation - there now loom imbalances rooted in powerful divergent forces."

The IMF backs the current Chancellor's actions, saying: "Firm implementation, particularly through observance of the control totals for spending this year and next, should boost credibility, slow the upswing, and set public finances on a sound medium-term track."

CONTENTS

THE BROADSHEET
Business & City ... 16-18
Comment ... 13-15
Foreign News ... 9-11
Gazette ... 12
Home News ... 2-8
Law Report ... 12
Leading Articles ... 13
Letters ... 13
Obituaries ... 12
Shares ... 19
Sport ... 21-24
Unit Trusts ... 20
TABLOID + NETWORK
Arts ... 7
Arts Reviews ... 11
Dr Phil Hammond ... 3
Feature ... 10
Games ... 14
Health ... 8, 9
Listings ... 12, 13
TV & Radio ... 15, 16
Visual Arts ... 4-6
Weather ... 14

9 770951 946428



The Alfred Dunhill Londonium Watch.

Model shown bi-colour PQ 4557L
Longitude range from 0° to 90°
Available in Steel, Bi-colour and 18ct Gold versions.

Alfred Dunhill watches are available at selected branches of the Goldsmiths group, one of the country's leading retail jewellers with over 120 branches nationwide. For details of your nearest stockist or a brochure call free on 0800 G.O.L.D.S.M.I.T.H.S. (0800 465376).

G.O.L.D.S.M.I.T.H.S. J.E. WALKER & HALL
THE MAKERS OF A FINE JEWELLERY

news

significant shorts

Russell murder suspect charged with burglary

A man who has been questioned about the murders of Lin Russell and her daughter Megan appeared in court yesterday on burglary and robbery charges.

Michael Stone, 37, of Gillingham, Kent, was remanded in custody at the magistrates' court in Chatham. He faced two charges of burglary on 11 July 1996, and one of robbery in Rochester, Kent, on 23 July last year. Mr Stone, who is unemployed, was remanded in custody for seven days. A police spokesman said: "These charges are not connected with the murders of Lin and Megan Russell." Detectives also said that inquiries into the murders, which took place in the Kent village of Chillenden last year, were continuing.

Police fall foul of human rights

Police unlawfully used the centuries-old law of breach of the peace against three anti-arms-sales demonstrators, the European Commission of Human Rights said yesterday in a test case on the right to legitimate protest.

Andrea Needham, David Polden and Christopher Cole had been handing out leaflets and holding up banners outside a conference on fighter helicopters in London, in January 1994. Their arrest and detention for seven hours, without charge, violated the free speech guarantee in article 10 of the European Convention of Human Rights, the commission ruled. Liberty, the civil rights organisation, said it would pursue the case to the full court in Strasbourg to ensure that UK law was changed.

Patricia Wynn Davies

Bowie rings changes for children



David Bowie, the rock star, has revealed he wants to start a family with his wife Iman, a Somali-born model, but must first stop touring. Bowie, 50, is keen to have children but also loves life on the road. The singer has one son by his former wife Angie and wants more by Iman, 39, whom he married in 1992. "We would like to have children very much," he told BBC Radio 5 Live. "But I have to quit touring first. I'm getting off the road at Christmas."

Multiple rapist jailed for 20 years

An "enormously dangerous" multiple rapist who subjected a sobbing mother to a "heinous and perverted" ordeal was jailed for life yesterday with a recommendation that he served at least 20 years. Judge Barrington Black said Pradeep Jabbie should be kept behind bars until time had sapped his sexual drive and he was no longer a threat. An earlier trial at Harrow Crown Court heard that Jabbie, of Greenford, Middlesex, attacked his 27-year-old victim in a friend's flat in April 1995.

Take That star sued by ex-manager

Robbie Williams, the former Take That singer, was at the centre of a High Court damages action yesterday brought against him by the man who founded the band. In an action expected to last up to five days the pop star's one-time manager, Nigel Martin-Smith, is claiming he is owed commission running into hundreds of thousands of pounds, from the star. The hearing was adjourned until today.

War-time lovers meet 55 years on

A couple who fell in love but were separated by the Second World War are to marry, after a chance reunion outside a chemist's shop 55 years after they last saw each other. Tom Bryant, 73, was shopping in February when he spotted a face he was sure he recognised as Ivy Butler, the sweetheart he last saw in 1942. They met in 1941 in an ammunition factory in Ellesmere Port, Cheshire; Tom was 18 and Ivy just 16. But the romance ended when Tom was called up to the Royal Navy in 1942. Mr Bryant said: "I asked, 'Aren't you Ivy Butler?' and she replied, 'No one has called me that for years', and that was it." The couple, both widowed, will marry at Chester Register Office on 18 October.

Lord Justice Staughton

An article, based on material supplied by the Press Association last Saturday, on the employment rights of clergy, reported that Lord Justice Staughton had said in the Appeal Court that there was no address for God, and he could not be served with documents. Lord Justice Staughton said he did not make the statement but he added: "However, one of my colleagues [on the bench] said something to that effect, during the hearing of the appeal on Tuesday 1 July."

THE INDEPENDENT ABROAD

Austria £4.00
Belgium £4.00
Canada £4.00
Cyprus £4.00
Denmark £4.00
France £4.00
Germany £4.00
Greece £4.00
Ireland £4.00
Italy £4.00
Japan £4.00
Netherlands £4.00
Norway £4.00
Portugal £4.00
Spain £4.00
Sweden £4.00
Switzerland £4.00
USA £4.00

OVERSEAS SUBSCRIPTIONS

Per mail, 13 weeks Europe £11.76, Zone 1, Middle East, Africa and India £14.08, Zone 2 (Far East and Australasia) £20.70. To order, please send cheque payable to The Independent Newspapers Ltd, 43 Millbank, London SW6 5JL or telephone 0171-538 5278. Credit cards welcome.

Back issues of the Independent are available from: Historic Newspapers, telephone 01989 840370.



NEWSPAPERS SUPPORT RECYCLING
Recycled paper made up 41.2% of the raw material for UK newspapers in the first half of 1996

people



Sir Edwin Manton with a bust of Sir Henry Tate, the gallery's founder (Photograph: John Voss)

Method in the madness of Tate's £7m benefactor

A art-loving octogenarian millionaire, whose identity remained secret until two weeks ago, has spoken publicly for the first time about his gift to the Tate Gallery – its largest ever donation.

Sir Edwin Manton has given the gallery £7m, and promised another £5m in his will. In addition, he will be leaving the Tate a recently discovered Constable painting, *The Glebe Farm*.

The British-born 88-year-old, who has lived in New York for 60 years, where he is estimated to have amassed a £250m fortune, visited the Tate as a young boy and began collecting art works in 1945.

Sir Edwin, who – together with Prince Charles – was in London for last night's celebrations to mark the Tate's centenary, said: "There is some method to my madness. I have lived abroad for many years but I'm a patriotic Englishman."

Born in Essex, and educated at Shaftesbury Grammar School and London University, he said: "It may sound silly but I feel I kind of owed the country something. I was born in Earls Colne, about 20 miles from Constable's birthplace, and I feel nostalgic."

Sir Edwin was knighted in 1994 for his services to the gallery, but insisted he remain anonymous.

Nicholas Serota, the Tate's director, explained why Sir Edwin's identity was finally revealed a fortnight ago. "He's always very modest and has not wanted his name up in lights, but with the Tate's centenary he agreed that we publicise his identity."

Sir Edwin added: "I wanted to be anonymous to protect myself from people importuning me. I may not be the wealthiest person in America but I was protecting my purse. It was not a noble feeling."

He bought his first "Constable" in 1945 but was dismayed to learn that it was by a German artist. He has since collected 50 genuine Constable sketches, oils and watercolours.

"I am deeply indebted to the Tate for taking me in. I won't buy a Constable without asking Leslie Parris [the Tate's deputy keeper of the British collection] if it's a good one."

Sir Edwin's donation to the Tate has ensured that a £31m redevelopment of the Millbank building can begin later this year. Mr Serota suggested his contribution would be recognised by naming a part of the building after him.

"Sir Edwin's gift will allow us to transform the way we show British art."

Alexandra Williams



Hollywood in the House of Lords

Double barrelled and titled, on paper the couple seem like any other in the House. But Lady Haden-Guest's legs are insured for \$1m and she bared her breasts in *Trading Places*. And as for her husband, Lord Haden-Guest, he's the guy with the guitar between his legs in the spoof film *Spinal Tap*.

So yesterday, when he was sworn in as the fifth Lord Haden-Guest in the House of Lords, it's not surprising heads turned. Hollywood had arrived. In the form of Christopher Haden-Guest (left) and his wife, Jamie Lee Curtis (right), who looked dutifully on from the visitors' gallery.

Campaigner dies after asbestos fight

A woman who took on what was once the world's biggest asbestos manufacturer in a gruelling legal battle, and won, has died of cancer.

June Hancock, who, as a child, played in drifts of asbestos dust from a factory near her home in Leeds, led an historic battle against the multinational engineering company Turner & Newall.

The courts ordered the company to pay £85,000 compensation for the damage done to her health by asbestos. It was the first victory of its kind in Britain, opening the way for up to 40 other claims.

Mrs Hancock died, aged 61, at Killingbeck Hospital, Leeds, on Saturday, her family announced yesterday after weeks of decline in her health.

Her solicitor and close friend, Adrian Budgen, said: "She was a remarkable woman in all respects. Her courage and bravery amazed us. She thought not just for herself but all the others who thought they were alone."

"She struggled in poor health against a company that did everything in its power to avoid the claim. It waged a war of attrition against her."

Esther Leach

briefing

SOCIETY

Hunger and cold: facts of life for 11 million Britons

Around 11 million people – or one in five of the population – now live in poverty, representing an increase of 50 per cent in the last decade, British and Swedish social scientists claim.

Their report claims a definition of poverty that is both "scientifically accurate" and corresponds with public ideas of the minimum acceptable way of life in Britain. It takes the "Breadline Britain" survey as its basis. This considered poverty as a state when at least three possessions or activities considered necessary for a decent standard of living were lacking.

In the early 1980s, 14 per cent of households were living in poverty, but by the 1990s this had risen to 20 per cent. Roughly 10 million Britons cannot afford adequate housing, for example, their homes are unheated or damp, or their children have to share bedrooms. About 7 million go without essential clothing, such as a warm waterproof coat because of a lack of money.

There are approximately 2.5 million children who are forced to go without at least one item they need, such as three meals a day. And around 5 million people do not have enough fresh fruit and vegetables, or only have two meals a day.

"The conclusions of the report are clear," said the researchers. "Britain has become an increasingly polarised nation. The growth of poverty is the root cause of many of the social ills that are of public concern. There is considerable unease about the consequences of increasing deprivation and the lack of social justice."

Glenda Cooper

PARENTING

Paid leave would save £600m

Providing three months' paid leave for parents when a baby is born would save the Government £600m, while the cost would be much lower than expected, a report by the Demos think-tank claims. A Demos report draws on the most detailed analysis yet of parental leave, including a MORI survey, a poll of 300 employers and comparison of parental leave around the world.

With a high take-up rate, Demos calculates that the Government would save nearly £300m in income support payments, as well as gaining nearly £300m in additional taxation. Less than 3 per cent of British employers currently offer even a limited scheme of parental leave, although three-quarters believe it would help them attract and retain senior female managers and six out of 10 believe it would help increase staff loyalty.

In addition, more than half the public believe parental leave would strengthen families, and 44 per cent feel that it would promote an active role for fathers in parenting.

While only a fifth of working people under 40 would be willing to take parental leave if it was funded by themselves, more than six out of 10 feel secure enough in their jobs to take paid parental leave, were it on offer.

Glenda Cooper

HEALTH

Hospitals' disaster plans failing

Hospitals are not properly equipped to provide on-the-spot assistance at the scenes of disasters and major incidents, experts said yesterday.

Under NHS guidelines issued in 1990, large regional hospitals should have mobile medical teams ready to offer instant back-up to the emergency services. Specific roles, responsibilities and training for the medical "flying squads" are set out.

But the new research shows that in 150 large hospitals, only a third of teams contained both a surgeon and an anaesthetist, and few hospitals differentiated between surgical and resuscitation teams. In almost half the teams, the leader was a trainee hospital doctor. Members of mobile medical teams were invariably junior doctors with little experience.

The findings, from a study led by Dr Simon Carley, of the Accident and Emergency Department at Manchester Royal Infirmary, appeared in the specialist journal *Pre-Hospital Immediate Care*.

TRANSPORT

Millions more rail journeys in 1996

Nearly 1 million more journeys were made each week by train last year, according to figures released yesterday by the 25 private rail companies.

The Association of Train Operating Companies recorded a national 7.5 per cent increase in train journeys – 45 million more journeys than the previous year.

It is the first time the figures have been compiled since privatisation. However, many experts point out that passenger figures rise as the economy grows, and that any slowdown would see numbers fall equally fast.

But the announcement coincides with a 30 per cent price hike from 28 September for the Network Card, from £14 to £20. The Young Persons' Railcards will increase from £16 to £18, from August.

Anti-rail campaigners had warned that unprotected fares would rise sharply as train companies seek to make up the difference between costs and dwindling public subsidies. Randeep Ramesh

Upgrade the power of your wallet...

DELL DIMENSION™ XPS M166s

- INTEL PENTIUM® PROCESSOR WITH MMX™ TECHNOLOGY 366MHz/200MHz
- 32MB HIGH PERFORMANCE SDRAM
- 512KB CACHE
- 2.1GB EIDE HARD DRIVE
- 33.3MHz VIDEO CARD WITH 4MB VIDEO MEMORY
- 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
- 12/24X CD-ROM DRIVE
- INTEGRATED 16-BIT SOUND PLUS ACXEL LAUNCHING AC970 SPEAKERS
- US ROBOTICS 33.6Kb MODEM
- WINDOWS 95 AND MICROSOFT® OFFICE 97
- SMALL BUSINESS EDITION (WORD, EXCEL, PUBLISHER, OUTLOOK 97)

£1,149 (£1,379.45) INC. DELIVERY & VAT



It's already a multimedia powerhouse. But buy a Dell Dimension™ XPS M166s now and you'll get even more: a free upgrade to a massive 200MHz Pentium® Processor with MMX™ technology. This offer closes 31st July. So don't delay. Call the world's largest direct PC manufacturer* now or log on to www.dell.com/uk. And enjoy more power. *Source: IDC.

FREE UPGRADE TO 200MHz PENTIUM® PROCESSOR WITH MMX™ TECHNOLOGY

GET ONLINE TO THE NUMBER ONE 0870 1524600 BETWEEN 9AM & 5PM WEEKDAYS. YOUR CALLS ARE FREE.

To order online: www.dell.com/uk

DELL



The Cenotaph in Hong Kong

Red guard for British war heroes

Stephen Vines
Hong Kong

A British memorial to the dead of two world wars will soon be guarded by the People's Liberation Army of China (PLA). The army which left an indelible mark on the history of the 20th-century with the 1989 Tiananmen Square massacre, is likely to take part in the ceremonies and provide an honour guard for the Cenotaph which stands at the heart of Hong Kong's financial district.

Following the British withdrawal on 1 July, the Cenotaph was shorn of its flags and the daily flag-raising and lowering ceremony ceased. Jack Edwards, 79, secretary of the local Royal British Legion branch and a former Japanese prisoner-of-war, says that he tried to raise the issue with Tung Chee-hwa, Hong Kong's Chief Executive, before he took office. He urged Mr Tung to persuade the PLA to take over the duties performed by the British forces at the Cenotaph. His request was put on hold, but yesterday a spokesman for Mr Tung said this was "a reasonable idea" and that although there had been no formal decision by the PLA, he expected one in time for the 11 November Remembrance Day commemoration.

Mr Edwards wants Mr Tung to follow the former Governor's footsteps and lead the Remembrance Day service. There are also services for Anzac day and the four British national days, St George's, St Patrick's, St David's and St Andrew's.

Twenty-five years ago Mr Edwards got the authorities to include a Chinese inscription on the Cenotaph which reads: "The spirit of heroes lives for ever." Most of those who are remembered are Chinese, not British. Although it is not widely known, some 4,000 Hong Kong Chinese perished while assisting the British forces in the First World War. Another 2,000-3,000 died while serving with the British forces in the Second World War and about 4,000 troops died in the futile

defence of Hong Kong against the Japanese invasion. Mr Edwards has suggested to the PLA that "if they want some good PR, this would be a good way to get it".

The signs are that he has hit the nail on the head, because China is determined to use the stationing of its garrison in Hong Kong as an opportunity to improve the PLA's image, which plummeted after the Tiananmen Square massacre. General Liu Zhenwu, commander of the PLA garrison,

told the former British commander, General Bryan Dutton, that "the Chinese wished to use Hong Kong as a window on the world to reverse that image". It has made a start by dressing its troops in specially designed smart uniforms and devising special training programmes for the Hong Kong garrison. Now the PLA is examining ways of establishing a public relations unit, somewhat different from similar units in China which are part of the propaganda apparatus. At least one major international PR company has offered its services to the PLA.

Meanwhile, the poorly paid PLA troops in Hong Kong are reported to have been given an 800 per cent pay rise. This will take the pay of ordinary soldiers to between £36-£43 per month. General Liu's pay will rise to £925 per month, about one-fifth of the sum paid to his predecessor General Dutton. The new pay scale puts him on a par with a Hong Kong secretary.

Kitsch invasion, page 10

The private anguish that takes the shine off the glittering prizes

Oxford students are meant to be among the brightest and sharpest of all - future leaders in their chosen fields. But in the search for the glittering prizes there is a worrying toll: Britain's best-known university has an unenviable and little-debated reputation for student suicides.

Tomorrow the inquest opens on the death of Sarah Napuk, the latest student to take her own life at the university. And the palpable anger and grief of her family about what led to the tragedy has opened a debate on the pressure put on the students under the dreaming spires.

Kerry Napuk has no doubts why his brilliant daughter killed herself. He said: "We can state unequivocally that the primary factor was her fear of failing her third year exams." Her distress was compounded because her tutors repeatedly said she would obtain a first as she was considered "one of the best history students at Oxford".

"Incredible pressures and stress are built into the system. Unless the university recognises and addresses the pressure it creates we are compelled to issue a health warning to other parents with high achieving and sensitive young people - don't send your children to Oxford, it is not a safe place."

One of Sarah's tutors wrote to her parents after her death: "I am wondering whether Oxford puts really inappropriate

Kim Sengupta and Lucy Ward on the pressures of university life at Oxford

pressure on our young people and whether the support and sustenance is there to see people through properly? During the past five years, three of my pupils have taken their own lives ... one wonders what can be going wrong."

The university acknowledges that students do face a massive amount of pressure, and says it has tried to institute a support system to cope. Twelve students including Sarah have killed themselves since 1990. For each of those, dozens of fellow students probably living in close proximity will have been emotionally affected.

The situation had become so alarming that in 1993 the university carried out an investigation under Dr Keith Hawton from the psychiatry department. The number of suicides at the university was, the study concluded grimly, "greater than would be expected on the basis of national rates for people in the 18 to 25 age group".

Colleges were advised to consider ways of reducing academic pressures on students,



Stress situation: Oxford students leaving the examination room after taking finals. The university acknowledges that the pressure they face is massive. Photograph: Martin Mayer/Network

and the university's counselling service and student helpline were both expanded.

Present and former students at Oxford tell of the strains of arriving at university fresh from a glittering school career, only to find themselves surrounded for the first time by equally clever contemporaries.

Where at school they probably sailed through A-levels with hard work but no undue strain, they now find themselves confronting excessive reading lists, weekly two-to-one tutorials in which every knowledge gap will be exposed and, frequently, the prospect of "collections", or tests, after each vacation.

For some, the stress proves

too much. One 24-year-old former Oxford geography student describes how her despair at lack of praise and support from tutors prompted her to attempt suicide halfway through her second year.

"I was living out of college in a house with two other girls. We had had a dinner party and I was a bit drunk, but I knew what I was doing."

"I went upstairs to the bathroom and tried to slash my wrists with a razor-blade. I know I didn't truly want to kill myself, because I did it so badly, but there was a lot of blood."

A friend talked her round and the moment was, she now believes, a turning point. "I came to Oxford having always

got As at everything. I had never failed, and I had always thrived on praise and success. Now suddenly I just couldn't keep up with the intensity of the rounds of essays and the sheer weight of reading. I decided to lower my sights."

The one time high-flyer made a conscious effort not to give in to her desire to leave university, but to scale down her degree ambitions. She left with a 2.2.

The fault, she believes, was not with the university's counselling system, which was "far superior to anything you would get for free in the real world". More to blame was the overwhelming intensity and expectation of daily Oxford life. "I was no longer enough to be

good at your subject - you had to be beautiful, play hockey for England and have a gorgeous boyfriend too."

She is not alone in pointing a finger more at the atmosphere of Oxford, with its eight-week terms and occasionally claustrophobic colleges, than at particular failures in university welfare services.

Another recent graduate remembers "mass hysteria" in her women's college as final exams approached, with Prozac and beta blockers at students' elbows as they revised in the library.

"At one point I just broke down in front of my personal tutor, who was very kind and got the principal to lend me some cash to go home for a week."

Talent that went to waste

Sarah Napuk, 22, hanged herself in Oxford on 10 April this year. She had a Kennedy Scholarship to Harvard.

Ian Hyde, 19, at Hertford College, died into the path of a dustcart in 1995 after an argument with his girlfriend.

Jonathan Brierley, 20, fell to his death at his south London home in 1994. He had taken a year off from New College to get over depression.

Ajaykumar Chotali, 22, from Kenya, died after an overdose in 1994. He was at Balliol.

Henry Skelton, 21, at New College, fell from a second

floor college room after taking a champagne and LSD cocktail in 1993. He had written his own obituary.

Lai Don Lau, 22, from Singapore, died in his room in May 1993 after taking an overdose of anti-depressants. He was a finalist at Magdalen.

Pamela Wray, 21, hanged herself in her parents' loft after leaving a note in a copy of *Wuthering Heights* in 1993. She was at St Hilda's College.

Tracey Cole, 18, from Exeter, an English student at Lady Margaret Hall, hanged herself "in a moment of despair" in December 1992.

30 minutes

100 minutes

200 minutes

with so much free time to talk, no-one offers you better value

Whoever you want to have a One 2 One with, no other mobile phone service offers you more. For just £17.50 a month, you get 30 minutes of free time. Or for £29 a month, you get 100 minutes of free time. And, for only £40 a month, you get a massive 200 minutes of free time. Or, if you prefer, you can still have free local calls all weekend. You choose.

For details on local calls and free time see our "why should you have a One 2 One with One 2 One?" leaflet. Prices quoted assume payment by direct debit.

one 2 one

0500 500 121

the people to have a one 2 one with

MIC
NIG

The last cha pla 254 tire eve om ver hat the wo bo eq

M C C e p r t l e

b p b o d w a a L h k a w T v i c w t c o M t n j c n d t e l i s t 3 t t C i t e a



Conformists won't like the new Peugeot 106 Independence.

With the XN model they'll find its choice of Indigo Blue or Shannon Green colours disturbingly different.

On the outside, the special badging, characteristic tilting glass sunroof and

special wheel trims will certainly do little to appease them.

**1 YEAR'S
FREE
INSURANCE***

And the engine immobiliser will be considered altogether too liberating. As will the special cloth trim and the stereo radio cassette.

Furthermore, the advanced 1.1 litre

petrol engine will flummox even the most broad-minded of them.

And at the drive away price of £7,795[†] they will doubtless suspect a catch. But enough about conformists. If you would like more information call 0345 106 106[†] or visit your local Peugeot dealer.

THE NEW SPECIAL EDITION PEUGEOT 106 INDEPENDENCE. FROM £7,795[†]

106
PEUGEOT
THE DRIVE OF YOUR LIFE

*INSURANCE OFFER APPLIES TO DRIVERS AGED 18-75 YEARS OLD, HOLDING A FULL VALID UK DRIVING LICENCE FOR ONE YEAR OR MORE, ORDERING AND REGISTERING ANY NEW PEUGEOT 106 "INDEPENDENCE" 2N OR XL MODEL ONLY BETWEEN 26.6.97 AND 31.8.97 AND IS SUBJECT TO THE TERMS, CONDITIONS AND APPROVAL OF THE INSURER, ORION PERSONAL INSURANCES LTD. DRIVERS CONVICTED OF A MAJOR DRIVING OFFENCE IN THE LAST 5 YEARS ARE AUTOMATICALLY EXCLUDED. INSURANCE OFFER APPLIES TO PRIVATE SALES ONLY (EXCLUDING MOTABILITY AND ANY CAR INVOICED BY PEUGEOT EXPORT). FULL DETAILS ON REQUEST BY TELEPHONING 02303 853303. INSURANCE OFFER IS NOT AVAILABLE FOR VEHICLES USED FOR COMPETITION, HIRE, DELIVERY OR OFF-ROAD USE OF 2+1 DRIVING SCHOOL. PRICES AND INFORMATION CORRECT AT TIME OF GOING TO PRESS. VEHICLES OFFERED SUBJECT TO AVAILABILITY WHILST STOCKS LAST. DRIVE AWAY PRICE IS BASED ON A PEUGEOT 106 INDEPENDENCE 2N. *CALLS CHARGED AT LOCAL RATE.

مركزنا من الامم

NO INSUR
Looking
for the
LOWEST
premium?
FREE
every quote

It was
fa
and
rope
the
join
0800 01
Green F



Stay at Homes: This is the most xenophobic group and accounts for 8 per cent of the population (3.5 million people). They don't travel, they don't want to travel and if they did travel they wouldn't trust the foreigners when they got there. So they don't watch programmes about the rest of the world. Instead this group likes *Barrymore* and *Peak Practice*.



Keen Travellers: More than one-fifth of the population – about 9.5 million people – who are interested in the rest of the world and like to find out about the country they visit. They tend to be young adults, or families with young children who are working full-time. Favourite destination would be a tour of Australia or, if they have kids, a fly/drive holiday in the US.



Discerning and Serious: These are the people who already seek out programmes about the rest of the world – but, according to the report, they are doing it on Channel 4. There are 8.7 million of them, who are upmarket and well-educated. They are likely to speak a foreign language and be interested in the politics of other countries.



Saga Travellers: This elderly group makes up 15 per cent of the population (6.6 million) but is growing in numbers. Because of their age they don't travel very much themselves, but they are interested in cultural programmes set overseas – but they are not very interested in foreign people. They are mainly retired or divorced women who read the *Daily Telegraph*.

Xenophobic, indolent and starstruck...the BBC identifies the television tribes of Britain

Paul McCann
Media Correspondent

A secret BBC report has identified 10 million Britons as xenophobes with no interest in foreign culture who can only be tempted to watch programmes about the rest of the world if they are hosted by stars like Gaby Roslin or Pauline Quirke of *Birds of a Feather* fame.

The leaked report, *Reflecting the World*, recommends using popular stars as a way of getting to large numbers of viewers who turn off if they see programmes

set overseas. It calls on the BBC to find new stars to replace "the two Clives and Palins" – Clive Anderson, Clive James and Michael Palin whose travel programmes have been hits. Younger viewers in particular are attracted by presenters rather than a show's content.

The report also recommends combining leisure-related genres like cookery, gardening and fashion with overseas locations to get viewers to tune in. It picks out Channel 4's *A Taste of the Caribbean* as an example of this combination. The report de-

scribes this in typical BBC jargon as a "value plus" – in other words mixing information with entertainment. It also suggests bringing back *Whicker's World* because people will watch shows about eccentric characters and extreme situations.

The BBC found the xenophobic audience when it used "cluster analysis" techniques common in the world of advertising to create images of six audience types. The biggest group to turn off when the rest of the world appears on their screen is what the BBC calls

"Club 18 to 35ers" – 6.8 million relatively young people who when they travel don't trust the locals and don't want to learn about their culture. Mostly male, this group watches a lot of satellite television and ITV early evening programmes such as *You've Been Framed*.

The other big group of xenophobes is called the "Stay at Homes" – 3.5 million older working-class people who are often retired and who holiday at Bournemouth. They prefer soaps and snooker to foreign-based shows but might tune in if

the right stars were presenting. The report was commissioned because of concern at the BBC that the number of programmes about the rest of the world has fallen by half during the Nineties across all television channels.

It has been welcomed by a lobbying group that works with overseas aid charities to change the media's portrayal of the developing world. "There are only half as many documentaries being shown in prime time now that are about the rest of the world compared with the be-

ginning of the decade," said Paddy Coulter, director of the International Broadcasting Trust (IBT). "The pressure to get ratings is causing a slide to a more parochial agenda because broadcasters are scared of losing any viewers at all."

"What's been left over is the international coverage of news and current affairs which by its nature lives on a diet of wars and disasters," Mr Coulter added. "We welcome the report because we have told broadcasters that there needs to be more imaginative ways of doing

these programmes – but we are concerned that the report seems to have been buried."

Mr Coulter said that research by the IBT showed that programmes like Madhur Jaffrey's *Taste of India* could attract ratings while presenting more positive views of the world. "Unfortunately it still seems to be rare that they will put an ethnic minority presenter in front of a programme about abroad," said Mr Coulter.

The report was commissioned by the BBC's Director-General, John Birt, as part of

a review of the way the corporation makes "difficult" types of shows. Another report on programmes about social issues has also been completed.

Reflecting the World says that while the amount of contact that Britons have with the rest of the world has gone up enormously because of travel, business and family connections, attitudes have been slow to catch up.

The BBC said yesterday that the report was part of an ongoing effort designed to keep producers informed of viewers' interests and needs.

CAR INSURANCE

Looking for the **LOWEST** premium?

COLLINS

Exclusive Road Atlas **FREE** with every quote

PHONE FREE
0500 333 600

TO CLAIM YOUR FREE ROAD ATLAS PLEASE QUOTE REF 5989

LINES ARE OPEN Sun-Sun WEEKDAYS, Sun-Sun SATURDAYS.

DIAL DIRECT

If we're **faster** and **cheaper** than the AA or RAC, why join them?

When you call us, we'll be there. Green Flag won't. On average, we rescue our members in just 35 minutes. And if we're not with you in less than one hour, you can claim £10 back.

call free today on **0800 001 353**

quote ref. no. 1N7000 and your credit/debit card number.

Green Flag
Motoring Assistance
WE LEAVE EVERYONE STANDING BUT YOU
<http://www.greenflag.co.uk>

*verified from customer satisfaction questionnaire

Road cleared for Mandy's motorway

Randeep Ramesh
Transport Correspondent

It is known in Whitehall as Mandelson's motorway. The future of the A13, a grimy dual carriageway linking east London with Essex, had looked bleak last week as ministers considered the future of 12 road schemes.

However, its salvation came in the unlikely form of Labour's Prince of Darkness, Peter Mandelson. It is understood that the £150m scheme was championed by Mr Mandelson, the Minister Without Portfolio, who also has responsibility for the Millennium Dome, which lies just south of the A13.

He argued that it was essential to free up space on the already clogged up highway system along the Thames. The millennium project was also part of the regeneration of the Thames Gateway – the run-down districts on the north and south banks of the river's estuary from the centre eastwards – which would be aided by the upgrade of the A13.

Although the last government gave local authorities assurances that local traffic levels will not be affected by visitors to the dome – which will not have any roads leading to it – civil servants point out that many visitors will use the capital's roads to drive to rail ter-

minuses, bus stations and piers. A spokesman for the British Road Federation said it was imperative that the new road got the go-ahead as soon as possible in order to complete work in time for the celebrations in 2000.

The approval for the road will be a blow for environmentalists, who fear that the Government will approve the majority of the dozen construction projects.

Roger Higman, transport campaigner for Friends of the Earth, said: "Ministers have to be careful not to think that road building solves congestion. It does not. The quicker money goes into public transport the better."

The A13 scheme had been first approved by Steven Norris, when he was Tory transport minister, in 1993. He said yesterday that the road's principal aim was to "regenerate local communities. Because the Channel tunnel rail link does not stop along its way, the only other transport link is the A13 from Dartford and the M25 to the City. It is an economic generator."

Ministers have been keen to wave their green credentials since taking office and the roads review will be their toughest test. Despite the Government's rhetoric, many ministers privately admit that environmentalists will be disappointed, but say that these schemes are simply the legacy left by the last administration.

DAILY POEM

Simple Poem

By Anthony Thwaite

I shall make it simple so you understand.
Making it simple will make it clear for me.
When you have read it, take me by the hand
As children do, loving simplicity.

This is the simple poem I have made.
Tell me you understand. But when you do
Don't ask me in return if I have said
All that I meant, or whether it is true.

"Simple Poem" first appeared in Anthony Thwaite's *A Porcelain Foxes* (1977) and is reprinted in his *Selected Poems 1956-1996*, just published (price £8.95) by Enitharmon Press at 36 St George's Avenue, London N7 0HD.

Put yourself in the picture
Shoot round to Barclays

20 direct £10,000 Barclays loans to be won

Call into any branch of Barclays and you'll find we've shifted into holiday mode. In a big way.

You could be one of 20 people we'll be sending on the trip of a lifetime: a £10,000 holiday, anywhere in the world you've dreamed of going.

For a chance to win, all you've got to do is apply for a Barclayloan by 30th August 1997 –

for almost anything from a new car or kitchen to a hi-fi or indeed a holiday. And everyone who takes part is guaranteed a free £50 Going Places holiday voucher.

Just call 0500 200 250 for details of how to apply, or pick up the special leaflet at any Barclays branch – and make it snappy.

Name: _____
Address: _____
Postcode: _____
Post this coupon to: Barclays Bank PLC, SP, PO Box 2000, Nottingham NG7 1BR. IN2/S

To apply for a Barclayloan you must be 18 or over (20 in Jersey). Subject to status. Typical example: 15.9% APR, £5,000 loan repayable by 48 monthly repayments of £199.20 with a total amount payable of £9,661.40 excluding Barclays Protection. A written quotation is available by calling 0500 200 250 or from Barclayloan Direct, PO Box 323, Liverpool L69 3NE. Please note that some telephone calls made to Barclayloan Direct may be recorded or monitored for training purposes. Barclays Bank PLC is a member of the Banking Ombudsman Scheme. (UK branches only).

news

Hospital no sanctuary for women at risk

Jojo Moyes

Vulnerable women patients often share psychiatric wards with men who may have histories of violence or sex abuse, according to a study.

The Annual Report of the Mental Health Act Commission, which was laid before Parliament yesterday, said safety for women was "a major issue", especially where staffing levels

were low and violence considerable, such as in London.

It said it would be paying "particular attention" to women's issues after finding cases where female victims of sex abuse had to share ward facilities with male sex offenders. Similarly, on some wards, "women who have been abused are having to share with men with a history of violence", the report says.

The commission found that locking doors, self-contained washing and toilet facilities or a suitable place for visiting children were "too often lacking", while many units contained few or no female staff.

"Only a minority of units... reported having policies dealing specifically with women's safety, although, when questioned, 58 per cent of nurses thought there were issues of sexual harassment of women patients by male patients on the ward," the report says. It quotes one nurse, who saw "no problem" but recalled two sexual assaults the previous year. In a west London unit, meanwhile, "women residents... were uncomfortable at being subjected to explicit conversations between fellow male patients, and furthermore, at not being able to lock their doors".

The report is based on 1,200 visits made by the commission to hospitals and mental nursing homes, made between July 1995 and March 1997, as well as interviews with patients. It found what it described as "a wide variation in standards".

Figures show that only a third (35 per cent) of women have access to women-only sleeping areas (ie with own bath/toilet facilities), while 27 per cent have to pass through male areas to reach separate bathroom facilities. A third have access only to mixed sex toilets, bath or shower facilities, while 3 per cent have to use sleeping areas also used by men.

Women make up the majority of patients of most mental health units. The report notes that many have experienced sexual or physical abuse in childhood, with the figure reaching 80 per cent among women patients in high-security hospitals.

Viscountess Runciman, chairman of the commission, concluded: "It is an unacceptable irony that many women patients, detained in the interests of their health or safety, find themselves in hospital conditions that not only feel threatening but in fact offer inadequate safety and privacy."

The report is keen to stress, however, that the service is having to cope with immense pressures. Mental Health Act admissions to NHS trust hospitals increased by 53 per cent between 1990 and 1995, although there are signs that this may be levelling off. Bed occupancy in some London units was as high as 150 per cent, so that patients were being sent home "on leave".

Deep beneath the earth a new jewel of opera is being mined

Tony Heath

The story of Tower Colliery, saved from closure three years ago when the 250 miners bought the South Wales pit with their redundancy money, is to be turned into an opera thanks to a £290,000 lottery award from the Arts Council of Wales.

Opera Box, a company based near Brecon, aims to create a production described by the director Brendan Wheatley as a tribute to the miners, their wives and the community in the Cynon Valley which co-operated in the rescue. He said: "The way they persisted and eventually won through epitomises the struggle of many people throughout the world."

Drawing on the long fight to retain the colliery which British Coal declared to be a lost cause, the score will be written by Alun Hoddinott, widely regarded as Wales' leading composer with John Owen, a BAFTA-winning scriptwriter supplying the words.

Mr Wheatley, Bridgett Gill, his wife and co-director, and Mr Hoddinott have already gone down the pit to research sequences depicting life hundreds of feet underground.

A cast of 12 is envisaged. One lead is based on Tyrone O'Sullivan, the former National Union of

Mineworkers lodge secretary and the driving force behind the buy-out who is now a director of the co-operative. Another is based on Ann Clwyd, the MP whose dramatic underground sit-in forced the miners' fight on to the national media. Robert Lloyd, a renowned bass who has sung at the Royal Opera House for 20 years, is keen to take the O'Sullivan role.

Seventeen venues around Wales are being lined up for the work which will have its premiere at Swansea's Grand Theatre in the autumn of 1999 before touring the Principality.

Choirs - male voice, mixed and children's - will be recruited en route to help bring opera to a wider audience. Side-by-side the company plans to visit schools and stage opera "teach-ins".

The colliery, now in its third year as a workers' co-operative, is flourishing. At the turn of the year every employee received a £1,500 dividend. More than 90 extra miners have been recruited bringing the workforce to 340.

Mr O'Sullivan declared: "It's a great story - a story about working people fighting for themselves and achieving their objective."

"It doesn't matter how the story's told - and the barriers of culture are being crossed when coal mining and opera meet."



Going underground: Gary Davies, a miner, and the opera director Brendan Wheatley explore the Tower Colliery coal face

Photograph: Rob Stratton

BT's ISDN
lines can send
your work from
home in
less time than
it takes to
seal an
envelope.
*Why not change
the way we work?*

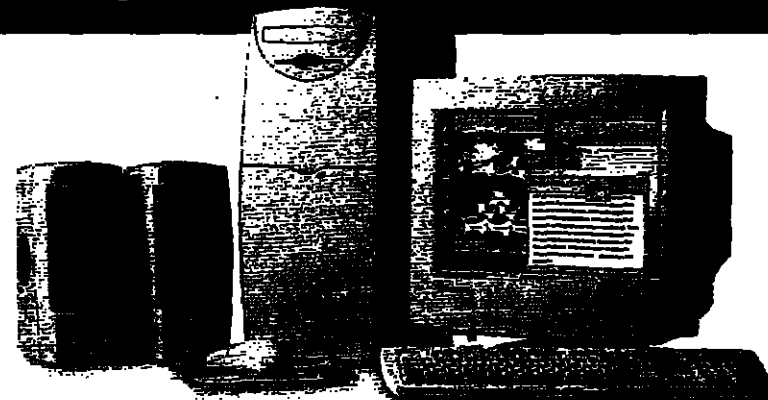
BT

To connect for only £20 more than a normal BT phone line

Freefone 0800 800 800

OFFER ENDS 12.10.97 ON LINES INSTALLED BY 31.11.97. FOR EXAMPLE, CONNECTION TO BT'S ISDN START-UP PACKAGE COSTS JUST £115.00 (EX VAT), INCLUSIVE CALL ALLOWANCE OF £105 PA. MINIMUM CONTRACT PERIOD 2 YEARS. QUARTERLY LINE RENTAL £135.75 (EX VAT).

Holy Cow! What a PC!



The Gateway 2000® G6-233SP is outstanding in the multimedia computer field.

Check out what we've packed inside this PC - an Intel 233MHz Pentium® II Processor, huge 3.2GB hard drive, loads of memory, great sound system with cool speakers, excellent graphics, 17-inch CrystalScan monitor and a top-notch voice/fax modem. And that's just the hardware!

This Gateway 2000 system comes with Microsoft Windows 95 and a Starter Software Bundle which includes: Mr Wonder's Greatest Toyshop, Kai's Power Goo, Gearheads, Putt-Putt goes to the Moon, Rosetta Stone Power Pack, Wordstuff and Actua Soccer. When your system arrives, just push a button and you'll be computing in no time!

At Gateway 2000, we care about you. That's why we offer you award-winning service and support, including free telephone technical support on all our hardware and software for as long as you own your computer. You also get a 30-day no-quibble money-back guarantee (shipping costs not refundable) and Gateway 2000 warranties.

And the best part, the price! Gateway 2000 is the spot to buy a PC - give us a call today!

G6-233SP

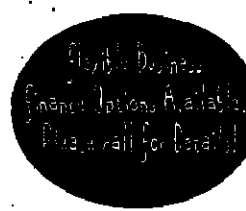
- Intel 233MHz Pentium® II Processor
- 32MB EDO RAM
- 512K 15ns Pipeline Burst L2 Cache
- 3.5" 1.44MB Floppy Disk Drive
- Mitsumi 12X min/16X max 120ms CD-ROM Drive
- Quantum® 3.2GB 10ms Ultra ATA Hard Drive
- Promise Ultra ATA Controller
- Ensoniq® WaveTable 32-bit PCI SoundCard
- Altec® Lansing ACS41 7W Speakers
- STB® VIRGE® GX 3D Graphics Accelerator with 4MB EDO RAM, 170MHz RAMDAC
- US Robotics Sportster Winmodem® with x2 Technology
- 17" CrystalScan® 0.284p Monitor
- ATX Tower Case, 5 External & 3 Internal Drive Bays
- Microsoft® Windows® 95 105 Keyboard
- MS® Windows 95, MS IntelliMouse™
- Starter Software Bundle
- 3 Year Limited Warranty

£1499 (£1795.40 inc. VAT & Delivery)*

Drop by the Gateway 2000 Showroom: 10 Bedford Street, Covent Garden, London WC2E 9HE. You'll be glad you did!

Showroom Hours of Business:
12.30 pm - 6.30 pm Mondays
9.30 am - 6.30 pm Tuesday - Friday
10.00 am - 4.00 pm Saturdays
Closed Sundays and Bank Holidays

*Offer closes when the cows come home today (22nd July '97)



GATEWAY2000
"You've got a friend in the business."
0 8 0 0 3 9 2 0 0 0
http://www.gw2k.co.uk

Gateway 2000 • Chesham Industrial Estate • Dublin 17 • Ireland



©1997 Gateway 2000 Europe. Model and price subject to change. "G" logo, "You've got a friend in the business" slogan, CrystalScan and Gateway 2000 are trademarks or registered trademarks of Gateway 2000, Inc. The Intel Inside Logo and Pentium are registered trademarks and MMX is a trademark of Intel Corporation. All other brands and product names are trademarks or registered trademarks of their respective companies. All configurations and prices are subject to change without notice or obligation. All prices quoted in Sterling. All other prices in Gateway 2000 Europe's standard terms and conditions and limited warranty. *Gateway standard practice is to measure resolution using the CIE color chart. Actual viewing area can be approx. 1.2" less.

هكذا من الأصل

More cameras on streets as violence rises

Jason Bennett
Crime Correspondent

Violent crime in London has risen by one-third in the past year and sex attacks have increased by a quarter, it was revealed today.

Robberies and street crime also rose despite an expensive and intensive anti-mugging campaign by Scotland Yard.

The alarming upward trends were announced as the Metropolitan Police disclosed that it plans to introduce a surveillance camera system that can automatically check car number plates in four seconds.

The initiative is primarily aimed at countering terrorists but can be used against all motorists - provoking fears of "big brother" style policing in the capital.

But Scotland Yard will be deeply worried at the sharp rise in violent and sexual offences. Its annual report, published today, shows the number of reported offences of violence in the Metropolitan area went up to 53,700 for the year to March, from 40,200 for the same period the previous 12 months.

Sexual offences rose by 26.3 per cent from 6,102 to 7,708 over the same period. This included a large jump in rapes, which increased by 347 to 1,740. Crimes involving drug dealing rose by a quarter to 11,560.

Sir Paul Condon, Commissioner of the Metropolitan Police, said some of the extra crimes of violence were due to new recording methods. He predicted that the increases would level off in the coming year. But the scale of rise is very surprising: it is three times the national trend.

The annual report discloses that the anti-crime campaign Operation Eagle Eye, launched in 1995, has resulted in street robbers moving on to new offences and displaced them into areas that are less well policed.

Sir Paul also conceded that offences were still increasing, but the rate had slowed. The number of muggings rose by about 1,500 to 28,400.

Sir Paul said: "There is evidence that robbers are prepared to travel across London to avoid detection. Street robbers have also been involved in 'steaming' offences in premises such as building societies, where a group of street robbers use their collective presence to engender a fear of violence in victims before stealing from them."

The overall crime figures rose by 2.3 per cent, largely thanks to a 5 per cent cut in burglaries.

In a new initiative Scotland Yard intends to introduce a system called Automatic Number Plate Recognition (ANPR) to monitor vehicles in

London. The system uses a fixed surveillance camera to "read" the number plate of a vehicle, either stationary or moving, and to check the details on the police national computer. If the vehicle is wanted by the police it will automatically beep or give a message on the screen.

The whole process takes about four seconds. The camera also takes photographs of the driver and any passengers in the vehicle.

It is already being used to check vehicles entering the City of London's so-called "ring-of-steel" security zone, where up to 120,000 vehicles are checked each day.



Shadow dancing: Two members of the corps de ballet take a rest during rehearsals for the Kirov Ballet's summer season at the London Coliseum. The series of performances continues this week with *Swan Lake* and *Don Quixote*. Photograph: Laurie Lewis

the "great value with IBM PC Servers" solution



Available until
30th September
1997.

FREE Extra 4.5GB

An extra hard disk
worth up to £923
RRP* (excl. VAT).



IBM PC Server 330

To get your network and your finances into shape, look no further than the IBM PC Server 330.

All PC Servers are designed, tested and optimised for Microsoft Windows NT. And for a limited time only, it can offer your business an added bonus of interest free finance and an extra 4.5GB of disk storage for free.*

call now on 0990 55 77 11 or visit us at: www.pc.ibm.com

- Advanced availability features
- Winner of the '97 PC Expert magazine award for technical excellence
- Up to two 200MHz Pentium® Pro processors



- Up to 1GB ECC memory
- Wide Ultra SCSI technology and over 27GB internal storage
- High performance RAID option and hot-swappable drive support
- Industry leading support, including a three-year on-site warranty and 90 days free IBM PC Server Start Up

Take advantage of this special offer NOW. Call Sandra Matthews on 0990 55 77 11 for more information and your nearest participating dealer or return the coupon below.

*Available on PC Server 330 models E50, E52 (worth £862 RRP excl. VAT) or EM2 (worth £923 RRP excl. VAT) subject to conditions through participating dealers. Prices correct at time of going to print. Finance offer is valid until 30th September 1997 and is subject to credit status. Free 4.5GB offer valid until stocks last. The Intel Inside logo and Pentium are registered trademarks of Intel Corporation.

YES, I wish to receive further information on: the IBM PC Server 330 ☐ the IBM PC Server range ☐ the interest free financing ☐ the name of my nearest dealer ☐
Please return this coupon by post to Sandra Matthews, IBM United Kingdom Ltd, FREEPOST PT352, P.O. Box 41, North Harbour, Portsmouth, PO6 3BR.

Name Title
Company Number of employees in your company
Address
Postcode Telephone Fax



Solutions for a small planet

Emissions of greenhouse gas getting worse

Nicholas Schoon
Environment Correspondent

Britain's emissions of the most important climate-changing greenhouse gas jumped last year, having fallen through the first half of the 1990s.

According to the World Energy Council, an international

Carbon dioxide emissions (millions of tonnes)

	1990	1993	1996
France	113	111	111
Germany	282	258	260
Italy	121	117	122
Spain	63	67	71
UK	170	166	169

Source: World Energy Council

energy think-tank, United Kingdom carbon dioxide emissions climbed 3 per cent between 1995 and 1996.

Britain, like other developed countries, pledged at the Rio Earth Summit five years ago to stabilise its annual output of the

gas at the 1990 level by 2000. The carbon dioxide comes mostly from the burning of coal, oil and gas by households, traffic, industry and commerce.

The UK is still on course to meet its stabilisation commitment, thanks to a fall in emissions through the first half of the decade. This was due mainly to the recession, which cut energy use, and the drastic substitution of natural gas for coal in power stations. Gas produces far less carbon dioxide per unit of electricity than coal.

But with the economy growing strongly and energy use rising in step with it, UK emissions are set to rise rapidly into the next millennium.

The Tory government had agreed to cut UK annual emissions of greenhouse gases by 10 per cent between 2000 and 2010. Then Labour came into power with a manifesto commitment to cut carbon dioxide emissions by 20 per cent over this period, a target ministers still adhere to.

Drastic policies to curb our dependence on fossil fuels are required to give any hope at all of hitting that ambitious target.

NOTICE TO C&G BORROWERS

- C&G's variable interest rates are to increase by 0.25% per annum.
- The increase takes effect on 23 July 1997 for loans where no notice period for rate changes is required.
- For loans where a notice period is required, borrowers have already been sent individual notification.
- For loans in our annual instalment review scheme, the change will be reflected in payments from March 1998.
- This notice does not apply to new variable rate loans which started on or after 14 July 1997 as they are already on the new rate, nor does it apply to mortgages with a fixed interest rate.

Cheltenham & Gloucester

(Cheltenham & Gloucester plc, Barnet Way, Gloucester GL4 3RL)

Renewing your home insurance in July or August and want to save money?

If you are 50 or over call free!
0800 414 525
quoting reference
ID7704

SAGA
Services Ltd

Lines open Monday to Friday 9.30am - 7pm.
Accessories 9am - 5pm.
SAGA Services Ltd would like to send you information about other SAGA products and services and may pass this on to other companies for this purpose.

Science and design are lottery winners

Fran Abrams
Political Correspondent

The Government was accused of "going on the grab" yesterday as it unveiled a host of new areas to be funded through the National Lottery.

Promised education and health projects which will receive £1bn under a new white paper could include refurbishment, staffing or organisation. Grants to talented individuals will go to scientists and designers as well as to artists and craftspeople.

Chris Smith, the Culture, Media and Sport Secretary, said he launched the paper that the lottery expansion would not be allowed to stray into areas usually funded through the Treasury.

However, a Bill to be published later this year will give the Government the power to identify the initiatives to be funded by its new "good cause". It will also allow the distributors of lottery grants to solicit applications where groups do not come forward spontaneously.

Mr Smith's Conservative shadow, Francis Maude, told the House of Commons that the Government was planning to use lottery money to fill a "black hole" in its finances.

"They have got themselves in a mess and as they so often do they have tried to extricate themselves by going on the grab," he said. "The people's lottery has become the Government's lottery."

Mr Smith denied the allegation. "What the lottery supports should be additional to those things that the Treasury funds. That principle we stick very strongly to. That is why we are not proposing that lottery funds should be used to employ teachers or nurses," he said.

The white paper says the lottery is expected to make £1bn more than was originally estimated by 2001, and that should be used for education, health and the environment. Environmental projects will not come on stream for another two or three years, though.

Among the new projects will be a major training initiative for 500,000 teachers and 10,000 library staff to help them to use new technology to promote learning. A range of out-of-school clubs will allow children to take part in drama, sport and other activities. A network of healthy living centres will be funded, with cash being directed into the most deprived areas where ill health is often endemic.

A new National Endowment for Science, Technology and the Arts will help talented individuals to fulfil their potential, possibly by giving grants to help them develop commercial ideas. They might be asked to pay some of their earnings into NESTA to help others.

The white paper promises fairer distribution of lottery funds, and says the regulator will have a new power to impose financial penalties on the lottery operator if serious licence breaches occur.

Rumours that the Government had dropped its commitment to a "not for profit" lottery operator after Camelot's licence ran out in 2001 were untrue, Mr Smith said. The white paper quotes Labour's election pledge on the subject but goes on to say that the main criteria for choosing a new operator will be the amount of money which would go to good causes.

"We will be seeking bids from wherever they come, including Camelot, Richard Branson and others," Mr Smith said.



Behind the wire: Sinn Féin delegates Gerry Kelly (centre) and Siobhán O'Hanlon arriving at Stormont accompanied by Terence Clarke, Gerry Adams's bodyguard. Photograph: Brian Harris

'The last time some of these people were together was probably in the Maze'

Michael Streeter on Sinn Féin's historic first appearance at Stormont

In bright sunshine and surrounded by journalists, delegates from Sinn Féin strolled into offices at Stormont yesterday marking a small moment of history which immediately provoked a walkout by some Unionists.

On past occasions, Sinn Féin representatives have been stopped at Stormont's imposing iron gates. Saturday's IRA ceasefire meant that yesterday's five-strong delegation was allowed to install itself in the Castle Buildings, although they will not take part in the peace talks until September. Among their number was party chair-

man Mitchel McLaughlin, who described the occasion as a "significant" moment, and convicted terrorist Gerry Kelly, now a leading Sinn Féin figure, who received a life sentence for his part in the IRA bombing of the Old Bailey in 1972. He was also involved in the mass breakout of republican prisoners from the Maze prison in 1983.

Although the UK Unionist Party, led by MP Robert McCartney, left within minutes of Sinn Féin's arrival, representatives of the Progressive Union-

ist Party and the Ulster Democratic Party, who themselves include ex-loyalist paramilitary figures, stayed inside the building. The arrival of the Sinn Féin team in their midst prompted one observer to remark: "The last time some of these people were in the same building was probably in the Maze."

At a brief press conference, Mr McLaughlin rejected Unionist claims of a clandestine agreement between his party and the British government to enable the IRA to call a ceasefire and let political represen-

tatives into the talks. "There was no secret deal, we are not interested in secret deals," he said. Mr McLaughlin insisted that self-determination would be on the talks agenda as would the controversial issue of decommissioning of weapons. He said the true hope for peace came from a negotiated settlement.

At a separate meeting Mr McCartney told journalists that his party had always made clear it would not negotiate with those who supported violence. The Stormont talks and the par-

allel Forum had failed, he said, and had simply been used as a device to give a "veneer" of respectability when in reality the British and Irish governments were stitching up secret deals with different groups. He said his party would return on Wednesday to vote against the British government's proposals on decommissioning.

The uncertain political atmosphere following the ceasefire was emphasised when the Royal Ulster Constabulary said it had no plans at this time to relax security measures. "It's far too soon to be thinking about changes to security yet, we will have to wait to see what happens."

Their caution is reflected by the fact that two breakaway republican groups, the Irish National Liberation Army and the Continuity Army Council, have not called a truce.

There are also persistent rumours that some IRA volunteers were angry at the imposition of the ceasefire, though they expected to follow the leadership's line.

A recently painted slogan in Falls Road area of Belfast reads "No Ceasefire."

THE DIRECT LINE SAVINGS CHALLENGE

Question:

Do the Woolwich, Halifax and Alliance & Leicester match our savings rates?

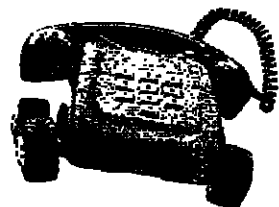
Answer:

See below.

	£1- £4,999	£5,000- £9,999	£10,000- £24,999	£25,000- £49,999	£50,000- £99,999	£100,000+
Direct Line Instant Access Account	5.15%	5.50%	6.15%	6.25%	6.50%	6.60%
Halifax Solid Gold (30 Day Notice)	3.50%†	4.25%	4.65%	5.00%	5.10%	5.10%
Woolwich Premier 90 (90 Day Notice)	N/A	4.50%	4.75%	5.50%	5.75%	6.00%††
Alliance & Leicester Prime 90 Share (90 Day)	4.40%†††	5.10%	5.80%	5.85%	5.90%	6.15%

All rates are gross*, based on annual payment of interest and correct at 15th July 1997. Source: Moneyfacts. †Rate effective from £500. ††From £200,000 rate is 6.50%. †††Rate effective from £1,000.

- As the table shows, the Direct Line Instant Access account beats these notice accounts.
- And with Direct Line you get high returns without locking your money away for up to 90 days.
- The more savings you have the higher our rates get.
- You can pool your savings with family or friends for even higher returns.
- If you want your savings to grow quicker than they are in the Woolwich, Halifax or Alliance & Leicester, call Direct Line.



0181 667 1121

LONDON

0161 833 1121

MANCHESTER

0141 221 1121

GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND91
www.directline.co.uk A Royal Bank of Scotland company.

Savings are provided by Direct Line Financial Services Limited, 250 St. Vincent Street, Glasgow, G2 5SH, which is a member of the Deposit Protection Scheme established under the Banking Act 1987 (as amended). Payments under the scheme are limited to 90% of a depositor's total deposits subject to a maximum payment to any one depositor of £10,000 (or ECU 20,000 if greater). Further details of the Scheme are available on request. *The gross rate is the rate paid without the deduction of income tax. All rates shown are subject to variation. For your added security telephone calls may be recorded and the recording kept secure. We may also monitor telephone calls with the aim of improving our service to you. Direct Line and the red telephone on wheels are the trademarks of Direct Line Insurance plc and used with its permission.

Welsh voices raise chorus against devolution plan

Tony Heath

The Welsh devolution battle escalated yesterday when defenders of the status quo entered the fray with the slogan "Just Say No".

The launch at a hotel on the outskirts of Cardiff included a supportive message from Viscount Tonypanody delivered via a video link - the 88-year-old peer, formerly Mr Speaker George Thomas, was not well enough to attend in person.

The campaign is being funded by the millionaire Sir Julian Hodge from his home in Jersey. His son, Robert Hodge, is leading the "No" team which opened an office in the Welsh capital last week.

Claiming that Wales was too immature to stand on its own feet, Mr Hodge, a businessman, declared: "We don't have North Sea oil and we don't have our



Say 'no': Viscount Tonypanody

own banking system. A Welsh assembly would just be another tier of bureaucracy. People should vote with their heads not their hearts."

Matthew Gunther-Bushell, a former speechwriter for the former Tory minister Jonathan Aitken, and one-time media spokesman for the late Sir James

Goldsmith, has been recruited as spin-doctor-in-chief.

The Government is pulling out all the stops to secure a decisive victory in the referendum to be held on 18 September, a week after Scotland goes to the polls. Copies of the White Paper, *A Voice For Wales*, which will be unveiled in the Commons this afternoon by Ron Davies, the Secretary of State for Wales, are going on sale in newsagents at the bargain price of £3.

Labour says it is heartened by the findings of a private poll which shows a steady growth in support of an assembly. Of 1,500 voters questioned, 35 per cent favoured an assembly, with 25 per cent opposed. When the "don't know" - 40 per cent - were pressed, the "yes" vote increased to 49.8 per cent while the "no" vote rose to 27 per cent.

Peter Hain, the Welsh Office minister co-ordinating the de-

volution drive, said: "The 'no' campaign simply parrots Tory arguments that Wales should be ruled from London. I am confident we will win decisively."

To popularise devolution, groups such as "Rugby Players Say Yes" are planned to spread the message alongside forums based on population centres. To add fizz to the campaign, more than 100 Welsh notables, the weather girl Siân Lloyd and comedian Max Boyce among them, are invited to a celebration this evening at Cardiff Castle.

The festivities drew criticism from Llew Smith MP, devolution's fiercest opponent in the Labour Party. "Putting up celebrities, the glitz and telling people if you don't back the assembly you are criticising the Labour Government are insults to the intelligence of the Welsh people," he said.

Leading article, page 13

Single parents given new deal

Glenda Cooper
Social Affairs Correspondent

The first step towards getting half a million lone parents back to work was taken yesterday as the Government launched its first New Deal pilot schemes.

Computer systems as well as personal advisers are at the centre of the scheme which will ensure that all single parents will be invited to JobCentres for advice on getting work or further training once their children reach school age.

The first phase of the scheme began yesterday in Cambridge, Sheffield, Cardiff, Warwick, Warrington and Halesowen. Further schemes will be launched today in Hamilton and next month in Croydon. More than 40,000 lone parents and 80 personal advisers will be involved.

Each adviser will help parents seek out job and training opportunities in their area, together with childcare facilities, and they will be shown how

much better off they would be financially with a job.

A series of computer points will be located in JobCentres and other public places such as libraries which the parents can operate themselves simply by touching the screens to discover what opportunities might be available locally.

Harriet Harman, the Secretary of State for Social Security, said at the Cambridge launch that there were presently more than 1 million lone parents bringing up nearly 2 million children on income support. "Two million children being brought up on the breadline is simply not acceptable," she said.

But Alan Howarth, the education and employment minister, said that there would be no compulsion to take up work. "There will be many single parents for whom it is not appropriate at the moment to go to work. We are not in any way seeking to pressure people into doing what isn't right for them or their children," he said.

Katherine Butler
Brussels
and Anthony Bevins
London

Britain could unilaterally ban European beef and lamb imports if EU partners refuse to clean up their abattoirs, at a meeting in Brussels today.

Franz Fischler, the EU Farming Commissioner, will plead with agriculture ministers to approve rigorous anti-BSE rules, remove all "risky" material from cattle and sheep, such as brain and spinal cord.

The proposal was rejected as superfluous and expensive when it was again narrowly voted down last Wednesday.

But Jack Cunningham, the Minister of Agriculture, argues that what is good for the health and safety of British meat should also be required for Continental products.

If the vote goes against him today, he will ask Parliament to

introduce unilateral measures. Under complex EU voting rules, the European Commission can, and will, force through the measure unless eight ministers vote against it today. Up to last night, eight countries - Germany, Austria, Greece, Belgium, Finland, Italy, Denmark and Portugal - were still opposing, but diplomats said they would not be surprised to see one, possibly Portugal, switch sides.

Opposing governments remain adamant that they should not be forced to overhaul their abattoirs when the incidence of BSE and scrapie is very low outside the UK. Many are angry at what they see as the Commission bowing to strong-arm tactics from the country which gave Europe BSE in the first place.

Mr Fischler will remind ministers that no country is officially BSE or scrapie free; and that recent inspections revealed alarmingly low controls. "We would expect member states to back something which errs on the side of caution," said a spokesman.

سكنا من الامن

I don't accept that Gianni's gone

Johannesburg (AP) — The supermodel Naomi Campbell, a favourite model of the murdered fashion designer Gianni Versace, wept yesterday when asked about Versace's killing last week in the United States.

Campbell, who is on a four-day fashion shoot for a South African clothing chain store, had avoided direct questions from journalists since arriving in the country on Saturday.

At a news conference yesterday, Campbell spoke briefly before breaking into tears. "I'm leaving tonight to go to the funeral tomorrow," she said. "I don't really accept that he's gone. Maybe tomorrow I will."

She refused to comment on allegations that she took a drug overdose, saying she "would never want to kill myself".

"I enjoy my life very much, especially now that I have met someone like Nelson Mandela," she said of her meeting yesterday morning with the South African president.

Last month, Campbell spent 18 hours in a Spanish hospital, reportedly because of an overdose of anti-anxiety pills. Representatives for the London-born model denied the overdose reports, saying she suffered an allergic reaction to antibiotics.



Tears of a Muse: Naomi Campbell weeping yesterday as she recalled the murder of the fashion designer Gianni Versace. Campbell was visiting the children's cancer ward of Baragwanath Hospital in Soweto during a four-day fashion shoot in South Africa. Photograph: AP

FBI missed Versace clues

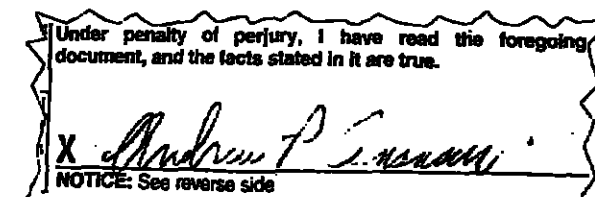
Phil Davison
Miami

Eight days before he allegedly murdered Italian fashion designer Gianni Versace, Andrew Cunanan, already on the FBI's "Ten Most Wanted" list in connection with four earlier murders, walked into a Miami Beach pawnshop and asked if he could pawn a gold coin. He pretended to bargain with the shopkeeper, Vivian Oliva, — "You know what I went through to earn this?" he asked her, flashing a smile of perfect teeth — before settling for a reported \$190 (£111).

Most wanted or not, the 27-year-old Californian coolly and clearly signed the sales receipt "Andrew P. Cunanan", and did not hesitate to give Ms Oliva the legally-required thumbprint for the transaction. It was the first fingerprint of the alleged gay serial killer, now wanted for at least five murders in four US states. And, according to Ms Oliva and her records, she posted a copy of the receipt, complete with thumbprint, to Miami Beach police the following day, 8 July — again, a legal requirement.

Neither the local police nor the FBI, which had been tipped off that Cunanan was in Flori-

Cunanan ignored manhunt to sign real name on pawnshop receipt



Hard evidence: Cunanan's signature

Photograph: AP

da at least at the beginning of July, has so far said whether they had seen the document before Ms Oliva, recognising Cunanan after the Versace murder publicity, called them last week. Versace, the 50-year-old who dressed and befriended celebrities and royals, was shot twice in the head outside his Miami Beach mansion on 15 July, with Cunanan the sole suspect.

Had the police or FBI reacted to the pawn document, they would only have had to walk round the corner from the Cash On The Beach pawnshop on 71st Street, to the Normandy Plaza hotel on Collins Avenue, where it is now known Cunanan lived for around two months before allegedly shooting the designer. He even left the hotel address with the shop.

Now, embarrassed police and

FBI spokesmen say the gold coin was one of several stolen from Chicago property magnate Lee Miglin, 72, allegedly Cunanan's third victim in early May, after he was brutally tortured and killed with garden shears and a chainsaw. Hence the black humour of Cunanan's "You know what I went through to earn this" remark.

Admitting the FBI had been tipped in early June that the suspected serial killer was in southern Florida, an FBI spokeswoman, Coleen Rowley, said: "In retrospect, some of the calls received before the last [Versace's] murder were probably accurate."

It is an admission of small comfort to the Versace family, and friends of Cunanan, who have now been warned they are in danger, or to Miami Beach's

large gay community, which has been living in fear for the past week.

"We're still going out, but everybody's looking over his shoulder and no-one's walking home alone," said Gary, a 25-year-old homosexual, sipping a beer in the Palace Grill, a seafood cafe favoured by gays only 100 yards from where Versace died.

"We're scared. But we're also angry. The FBI obviously knew this guy was on the loose around here long ago," said Olivier, 40, who was drinking at the Liquid nightclub on nearby Washington Avenue, where Cunanan is now reported to have been drinking until 5am on the day he was killed.

"There's a lot of locksmiths out there making a lot of money out of us right now," added David, a 31-year-old drinking in Twist, a gay nightclub where Versace was seen in the past. "And there's an awful lot of Fed-looking hunks and bulky telephone repairmen doing pathetic gay imitations in our bars."

Miami Beach police now say Cunanan, with posters of his various disguises plastered around

the nation, may be dressing as a woman to escape capture. Women's underwear, hair-clippers and dye were said to be among the items he left behind in the Normandy Plaza hotel.

The FBI and Miami Beach police have been trying to deflect criticism from day one of the Versace case, when they withheld Cunanan's name as a suspect for nearly 12 hours, although they suspected him immediately. For the FBI, it has so far been another poor-showing exactly a year after the

crash of TWA Flight 800 off Long Island. The Bureau was heavily criticised by relatives of the victims for its off-on theories of accident-or-sabotage and its failure to come up with a cause or to eliminate the theory that the plane was brought down by a missile.

It was also a year ago that the FBI made its renowned blunder of arresting a security man, Richard Jewell, for the Olympic Games bombing in Atlanta. The Bureau leaked his name as the prime suspect and searched his apartment for weeks before conceding it had no evidence against him and apologising.

significant shorts

Yeltsin orders the axe for 500 generals

To keep the Russian military from getting too top-heavy as it reduces its ranks, President Boris Yeltsin ordered defence officials yesterday to cut the number of generals by more than 500. Mr Yeltsin, meeting the Defence Minister Igor Sergeev, said the number of generals would be reduced gradually from the current 2,865 to "an upper limit" of 2,300, the ITAR-Tass news agency said. Mr Yeltsin has ordered the Defence Ministry to reduce the size of Russia's armed forces by 500,000, from 1.7 million to 1.2 million. AP — Moscow

Arson at foreigners' flats

A fire that gutted a four-storey block of flats in the western German city of Essen early yesterday, injuring 21 of its 60 mainly foreign residents, was probably started deliberately, a police spokesman said. But he added that prosecutors still did not know how the fire began, and had no indications of a racist motive. Reuters — Bonn

Berisha threatens boycott

Albanian President Sali Berisha's Democratic Party, defeated in elections last month, said it would boycott the first session of parliament to protest at the conduct of the polls. Mr Berisha has not yet convened the new parliament, and his Socialist opponents warned on Sunday that if he failed to issue the decree, they would call the first session themselves. Mr Berisha's Socialist party opponents and their coalition allies won a total of 117 seats to the Democrats' 27. He has said he will resign once he has "fulfilled his constitutional obligations" but he shows no sign of stepping down. Reuters — Tirana

Eta prisoner found hanged

The body of an Eta prisoner was found hanged in his jail cell on Sunday. Warders in a jail in central Spain found Juan Carlos Hernandez, 35, who was serving six years for collaboration with an armed band, hanged with his hands loosely bound in front of him. Reuters — Madrid

Mostar foes start joint patrols

Bosnian Muslims and Croats in Mostar, who have been foes more often than allies in the tense town, began joint police patrols in a sign that they had put their worst days behind them. The US ambassador to the UN, Bill Richardson, credited American diplomacy for overcoming resistance to the joint police force. AP — Mostar

Kashmir militants kill guards

Militants attacked a convoy of the speaker of Kashmir's parliament, killing four guards and injuring three others, police said. The speaker escaped unhurt. Police said the militants set off a landmine on the highway linking Srinagar with Jammu in the south. The blast destroyed a car ahead of the one in which speaker Ali Mohammad Naik was travelling. United News of India news agency reported. Three guards were seriously injured. The blast occurred at Trill, a village 35km south of Srinagar, seat of a seven-year-old Muslim insurrection. AP — Srinagar

Grand day at the camel races

Up to 4,000 people gathered in the tiny, remote Queensland township of Boulia, about 700 miles from Darwin, the nearest city, for camel races. Organisers hoped the Boulia Desert Sands 2000 would promote camel racing as a new sport for Australian punters and help identify potential racing stock to sell overseas. AP — Sydney

Blundering CIA set to go the way of the dinosaurs

John Carlin
Washington

One of the satisfactions of the intelligence officer's life is the possession of knowledge that ordinary mortals lack.

One of the frustrations is that when you do a good job you can't even tell your close friends about it. That is a price of the secrecy the CIA wishes it no longer had to pay. America's lead intelligence agency would like nothing more to celebrate its 50th anniversary this week-end than an opportunity to crow about what it believes to be a chronicle of glorious successes. Yet the public being aware only of a litany of spectacular foul-ups, the idea has taken hold that the CIA is inept, demoralised and possibly a lavishly funded irrelevance in the post-Cold War age.

Daniel Patrick Moynihan, the Democratic senator from New York, was asked in a recent television interview if he held the view he once expressed that the CIA should be abolished. He replied: "There is a sense in which it has been abolished. There have been seven directors, or acting directors, in six years. That's not an organisation. That's an institutional collapse." Milton Bearden, a 30-year veteran of the CIA who ran its Moscow station, noted this year that among the government bureaucracies "only the Internal Revenue Service is held in lower esteem".

But while taxes, like the poor, are always with us, the CIA is



Ames: His treason led to death of 10 CIA agents

a luxury the American people may come to decide, concurring with Mr Moynihan, that they no longer wish to afford.

America's Secret Warriors, a documentary series about the CIA that was aired in the US in March, concluded with the thought: "Today the CIA's greatest mission may be saving itself. There are some who think it is a mission impossible."

The documentary provides a succession of former CIA officers who verify on-camera a list of allegations about the agency that God-fearing, patriotic Americans used to think were too wild to be true. Organising the military coup in Guatemala in 1954 because the democratically elected government had antagonised an American fruit company which happened to have ties to the secretary of state and director of the CIA; fuelling the coups that installed the

Shah in Iran, Augusto Pinochet in Chile; the ludicrous plots to kill Fidel Castro; the tribesmen in Laos who received a dollar of US tax-payers' money for every set of Communist ears they delivered to the CIA; the decision to mine a Nicaraguan harbour during the Contra war that was taken one night after a few too many Martinis.

The suspicion, widely expressed by intelligence analysts these days, is that the Cold War provided a curtain behind which to hide the CIA's follies and abuses, the depth of which became common knowledge after the devastating revelation in 1994 that Aldrich Ames, a hard-drinking senior CIA officer, had sold secrets to the CIA which led to the killing of at least 10 CIA informers in Russia. In March this year it emerged that Harold Nicholson, higher up the CIA pecking order than the now jailed Ames, also sold secrets to the Russians.

Before that there were the embarrassing frissons with the French and Germans after the CIA's blunt attempts at economic espionage were exposed. As for the agency's custom of hiring murderous Latin American colonels and teaching others the techniques of torture, the stories are endless.

The most powerful enemy the CIA has today is not Communism, or terrorism, or anything beyond America's frontiers. The threat comes from within, most convincingly from those who once led the agency but have come to ac-

knowledge its purpose is at best unclear, at worst non-existent. Three former CIA chiefs quoted in Sunday's New York Times said the time may have come to give the CIA a decent burial. Richard Helms, CIA director 1966-1973, observed that "the only remaining superpower doesn't have enough interest in what's going on in the world to organise and run an espionage service".

Mr Helms's successor, James Schlesinger, said the CIA was now "so battered that it's utility for espionage is subject to question". Stansfield Turner, the agency's director 1977-1981, believes the US has to build a new espionage service from scratch. That is the view of Mr Moynihan and one a critical mass of members of Congress may come share. The intelligence committee of the House of Representatives issued a report on the agency that criticised its failure to acquire "the analytic depth, breadth and expertise to monitor political, military and economic developments worldwide".

No judgement more damning or comprehensive would seem possible, which might explain why in a recent speech the CIA's inspector-general, Fred Hitz, was moved to remark, with extraordinary candour: "We're a confused group, dying for stability."

Decoded, what Mr Hitz perhaps meant to say was that the confusion would only end, stability would only come, with the CIA's demise.

The NatWest Millennium Bond
13.8% return guaranteed after 2 years
(well worth a big celebration)

Begin your build up to the year 2000 with a NatWest Millennium Bond. Just deposit a lump sum from £2,000 to £250,000 until this time in 1999, and we'll guarantee you an annual interest pay-out of 6.9% (gross rate p.a.). So after two years you'll see a return of 13.8%. All in good time to celebrate the twenty-first century.

For more information, call us or pop into your local NatWest branch today. Or if you prefer, complete and return the coupon opposite.

Call 0800 200 400

MON TO FRI 9.00am TO 5.00pm SAT 9.00am TO 5.00pm

Fill in your details and send this coupon to:
NatWest Millennium Bond, NatWest Bank plc, 100 Bishopsgate, London EC2N 3AT

Name Initial

Address

Postcode

☐ Yes, I would like to open a NatWest Millennium Bond account. I agree to the terms and conditions of the offer. I understand that the interest rate is guaranteed for two years. I agree to pay the bond for two years. I agree to pay the bond for two years. I agree to pay the bond for two years.

NatWest
More than just a bank

Where appropriate, lower rate tax (currently 20%) will be deducted at source from the interest paid (which may be reclaimed by resident non-taxpayers). Otherwise, (for example, subject to the required registration form), interest will be paid gross. The gross rate is the rate before deducting income tax. All rates are subject to variation. The interest rate quoted will apply only if no withdrawals are made within the two years. We may monitor and record your phone calls with us in order to maintain and improve our service. National Westminster Bank Plc. Registered Office: 41 Leathers Lane, London EC2P 2BP. Registered Number: 929027.

هَذَا مِنْ الْأَصْلِ

Pinball wizards cast spell on Japan's parents

Many couples addicted to pachinko are deaf to their children's cries

Richard Lloyd Parry
Tokyo

Last Thursday, like countless couples all over Japan, Kazuo and Shizue Iwasato took the afternoon off, and put the world on hold with an extended bout of pachinko.

The game, a kind of vertical electronic bagatelle, is familiar to anyone who has walked through a Japanese town, principally for the arcades where it is played - squeaking, clanking, beeping caves, filled with cigarette smoke, and the gaudy neon of the machines themselves.

The spectacle of the tiny steel pachinko balls bouncing off the nails and clattering into the holes is said by aficionados to be profoundly soothing, and players like the Iwasatos spend hours at it, drowning out their worries in a stupor of sound and light.

Among those troubles was Kazuo and Shizue's two-year-old daughter, whom they had left at home, shut up in the drawer of a bedroom chest.

When they returned more than three hours later, the little girl was unconscious, and by then time the ambulance had taken her to hospital, she was dead. Now 21-year-old Kazuo and his 25-year-old wife have been arrested as the latest in a growing list of pachinko killers. No one seems to know whether it is a new problem, or an old one which is only now being noticed, but last

year some 30 young children are believed to have died while their parents were playing pachinko.

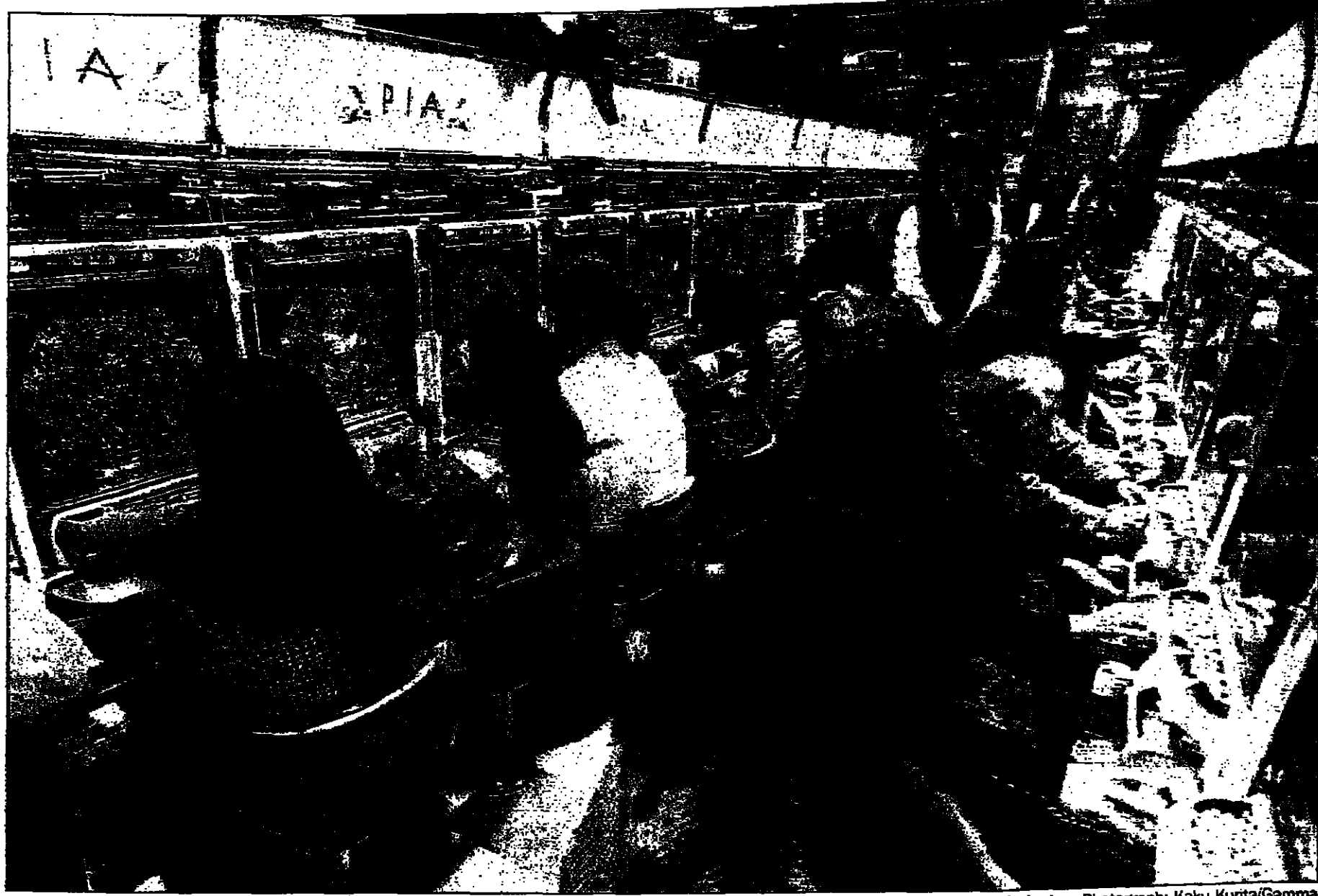
One toddler drowned in a drainage canal and another wandered into the path of an oncoming train. Last summer, five-year-old Yurika Oyama was hit by a car and died in the doorway of the pachinko parlour where her mother was playing. Child neglect is only one of the ills associated with the game.

Yesterday, police in Hiroshima liberated three pachinko players who had been kidnapped by gangsters after being caught tampering with a machine.

By the sophisticated standards of modern arcade games, the appeal of pachinko is difficult to understand. The basic game (see box) is about as simple as it was when it was first devised in 1948, but 28 million Japanese - one in every four - played the game in 1995, and spent 26.3 trillion yen (£140bn) between them, or an average of \$5,200 a year.

The mega-parlours draw crowds of 100 or more before the doors even open at 9am; one man said this weekend that he had got up at 7am and commuted for an hour and a half to be first in the queue for his lucky machine.

The most obvious explanation for pachinko's appeal is that it offers one of the few outlets for the urge to take a flutter. Gambling on Japan's most popular sports, like baseball and sumo, is illegal, and



Arcade fever: A pachinko parlour that caters for women only. As a business, pachinko makes about as much as the Japanese car industry. Photograph: Kaku Kurita/Gamma

bookies can only operate within strict limits at horse tracks, and more obscure events like cycle and boat racing. The pachinko parlours are barred from awarding cash prizes, but this prohibition is effortlessly circumvented by a delicate charade with which the police, courts and government appear perfectly satisfied.

Instead of dispensing money, pachinko machines vomit up more of the little silver balls which can be swapped for trinkets like key rings or cigarette lighters. Round the corner from every pachinko parlour is a small hole in the wall through which a pair of hands is visible. The winner passes over the token prize, and receives in return a wad of yen notes. Decades ago, this was a covert operation but nowadays it is carried out quite openly.

The murkiest thing of all about pachinko is the ultimate destination of the pachinko trillions. As a business, pachinko makes about as much money in Japan as the car industry, and it is dominated by Korean Japanese, many of them descended from slave labourers shipped over from the former colony during the Second World War.

Most of them are originally from what is now North Korea, and maintain strong links with the hard line government of Pyongyang.

Every year, millions of pounds from the arcades find their way out there. Given its chronic economic difficulties, and almost complete lack of overseas trade, it is entirely possible that North Korea is being kept afloat by the habit of Japanese pachinkoists.

And the game is flourishing. Takings have doubled since the end of the 1980s, and the busting of Japan's "bubble economy" has, if anything, created more people with time to kill away and anxieties to numb. For a long time, pachinko had a frowzy, solitary image associated with bored salarymen and neglected housewives, but recently big, bright arcades have opened, aimed at students and young women.

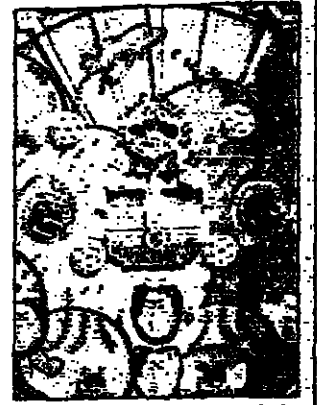
The prizes include designer labels like Gucci and Effendi, and couples can now park themselves side by side in specially designed "love seats".

The newest and biggest pachinko parlours in central Tokyo have six floors, including coffee shops and vending machines.

None of them, so far, has a crèche.

The nature of the beast

A pachinko machine consists of an upright glass-fronted box studded with metal pins. The player purchases small steel balls which are propelled up into the machine. The aim is to direct these into the right holes. Success is rewarded by a torrent of new balls which can be channelled back into the machine or swapped for prizes and, unofficially, cash. The player operates paddles which can be used to direct balls into winning slots - a recent machine pays out 100,000 yen (£530) if the last ball put into machine falls into just the right hole. But the most important skill is to spot which machines have been programmed in advance by the arcade's managers to pay out



Forget the army: Hong Kong invaded by kitsch

Some pessimists had been issuing dire warnings about messy confrontations with the police, others predicted a dose of economic jitters but no one had quite foreseen the greatest danger to the new order in Hong Kong: bad taste.

I mean the sort of appalling taste which gives kitsch a bad name. It would appear that nothing is too gaudy for the new Hong Kong. I doubt an edict has been issued but it is clear that

After the handover, people feared repression. What they got was bad taste, reports **Stephen Vines**

pastel colours are not favoured by the post-colonial regime which wants its primary colours as primary as possible.

Decorations celebrating the "Glorious Reunification with the Motherland" come in the deepest of reds, the brightest golds and the most over-

whelming pinks. The eye is assaulted by fairy lights, neon lights and anything else that shines - the brighter the better.

Orchestration is the order of the day. Building owners vie with one another to erect the biggest, loudest and most garish displays welcoming the new

era. Pink coloured dolphins carved in Styrofoam leap from precarious ledges, demonstrating that their owners know that this endangered species was chosen as the symbol of the reunification celebrations.

The new regime is understandably proud of having a brand new flag, so proud that it is displayed absolutely everywhere (though designers at this week's Hong Kong fashion festival were warned not to include the flag in their designs).

Alongside the new Hong Kong flag, with the Bauhinia flower as its centrepiece, (unfortunately this is a sterile hybrid, but never mind) are copious displays of the new sovereign state's distinctive red flag with its five golden yellow stars. Fortunately, the new Hong Kong flag is also red, so there can be no ghostly problems of colour co-ordination.

But it is a little unclear why a law has been rushed through instructing that the flag be displayed on all manner of buildings, including public hospitals. The net result is red flags everywhere. The motto of building owners seems to be: if in doubt, display a flag.

It is invidious to point fingers at the source of much of the bad taste but I cannot help mentioning a display of gifts given to the new Hong Kong by China's 31 provinces. Scrambling to compete in ostentation and gaudiness, they bring new meaning to the word vulgar. A breathless government press release proudly notes that some of the gifts "weigh between 1,000 and 3,000 kilograms".

The Peking municipality weighed in with an exorbitantly awful cloisonné vase, modestly called "Worldwide Jubilation". Poverty-stricken Liaoning Province offered lacquerware entitled "Spirit of the Chinese Nation". Hebei Province sent a "National Jubilation" crystal bottle. From Inner Mongolia, famous for its horses, came a chunk of sculpture from the school of Socialist Realism, called "Steeds Galloping Towards the Future". And Jilin Province offered a massive inkstone thing called "Songhua and Bauhinia All Rooted in China".

No one pretends the old colonial regime was famous for good taste. The British influenced style tended towards a what might be called suburban municipal, but at least the outgoing regime had the sense to be discreet about its aesthetic values.

I am coming to believe that the extraordinary bad weather



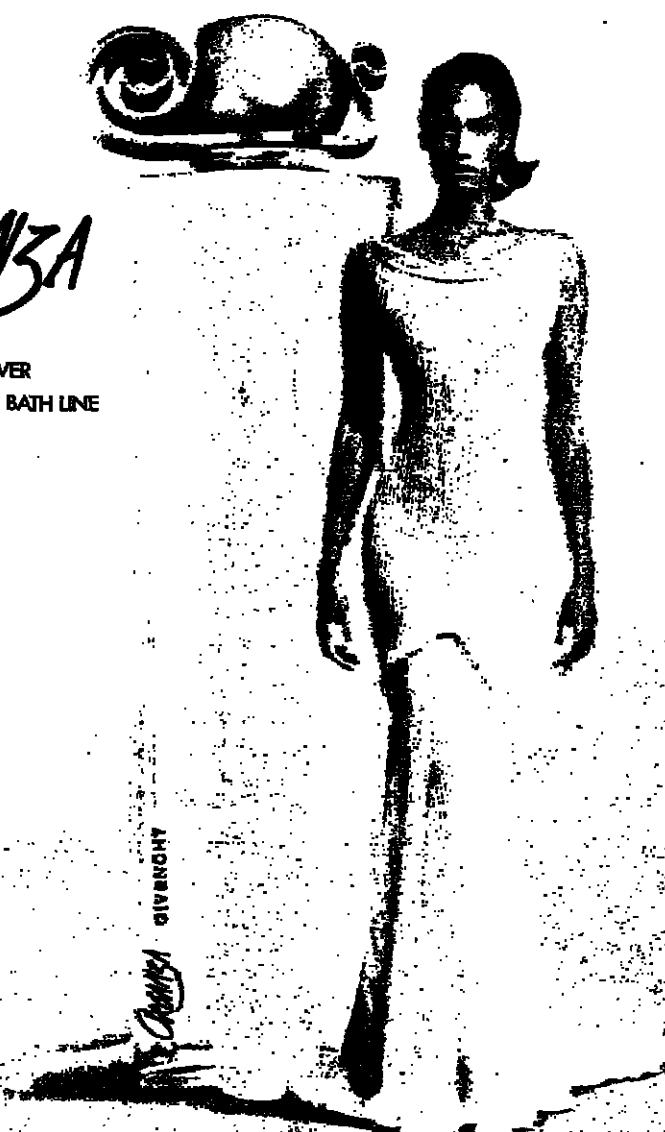
Golden kitsch: The Bauhinia, Hong Kong's symbol, blossoms

Photograph: Reuters

GIVENCHY

ORGANZA

NOW DISCOVER
THE NEW PERFUMED BATH LINE



Biters bit as NY puts pit bulls in the doghouse

David Usborne
New York

Rudy Giuliani, New York's crime-busting mayor, has evicted graffiti artists, chased away window-squeegee men and hobbled the Mafia clans. Now he faces perhaps his greatest challenge: man-eating pooches.

The dog days have arrived and we are talking politics, not heat indexes. More specifically, we are talking pit bulls and efforts by the mayor to keep the leash on them and anyone who owns one. That pit bulls have iron-clamp jaws and can display an appetite for human ankles is not news. In recent weeks, however, the breed has done itself no favours with a series of violent incidents across New York.

There was the case of Emmanuel Rivera, 14, who fell six storeys to his death from a

rooftop after being chased by a man and his pit bull. Days earlier the Housing Authority, which runs public housing, reported the serious mauling of a young girl by a pit bull. And early this month Salvatore Biagini, 70, died of a heart attack trying to save his schnauzer, Teddy, after it was pounced on by a pit bull in the street.

Mr Biagini collapsed after being bitten on the leg as a passer-by tried to beat the dog into submission with a stick.

Mr Giuliani has promised to use a century-old statute, originally designed to protect the public from rabid sheep, to threaten to euthanise any pit bull within 48 hours that has not been licensed and vaccinated.

The Housing Authority has banned pit bulls and other "vicious and menacing animals" from all public housing. Tenants,

many furious, are being forced to comply. A man identified only as Spanky told *Newsday*: "I want my dogs back. I love my dogs". His "children", said Spanky, are trained to "kiss and give me high five".

Parls - The city planning office has banned residents from keeping pit bulls and other attack dogs in public housing. AP reports. The Public Office for Planning and Construction told residents to get rid of their dangerous dogs. *Liberation* newspaper said. Residents of public high-rise apartment buildings for people with low incomes who fail to bid farewell to their aggressive pets face eviction, the paper said.

Pit bulls, Rottweilers and Dobermans are among attack dogs popular in poor French housing projects where crime rates are high.

Go Direct.
Kids go for
£1.

Hundreds of holiday deals
at your fingertips

0541 504 008

Call now. Lines open 8am-6pm 7 days a week.

Teletext on ITV page 369

go direct

For - Airtours, Thomson, First Choice, Sunworld, Cosmos.
Go Direct is a trading name of Going Places. ABTA 06226. Agents for ATOL holders. £7 child place applies to first child only subject to child sharing with 2 full fare paying adults, and applies to specified named accommodation only. Subject to availability. Insurance extra.

Predator on the killer

May

Want to win a new Vespa scooter

Play the Time Gimmick this week a Vespa ET4 or other prizes

Call 0171 813 6...
Game card and for details.

Time

Predators hot on trail of Ciller the cat

Christopher de Bellaigue
Ankara

"Tansu Ciller is a like a cat," a Turkish political commentator observed last week. "She always lands on all fours." But he may have spoken too soon. In opposition for the first time since she joined politics, Mrs Ciller has rarely looked less sure on her feet. The reason, say detractors, is that feline Mrs Ciller has been caught with the cream. Since the last election in 1995, mutinies and expulsions have skimmed Mrs Ciller's once-powerful True Path Party of almost one-third of its parliamentary strength. Turkey's two mainstream media companies, whom she seduced with low-interest credits, have stopped championing the "pretty blonde lady" and have begun howling for her blood. To add insult to injury, a military prosecutor has begun investigating claims that Mrs Ciller spent the past 30 years spying for the CIA. Allegations of espionage will be hard to prove; the State Department in Washington has already denied that Mrs Ciller received a yearly retainer of \$100,000 for passing on information. But more than the al-

legations, what worries Mrs Ciller's dwindling band of loyalists is that the army's inquiries are founded on accusations cooked up by Dogu Perincek, a left-winger, famous for his inventive frame of mind. Military co-operation with an inveterate conspiracy theorist like Mr Perincek, they maintain, shows the army has abandoned Mrs Ciller.

This is significant because she used to be a favourite of Turkey's secular-minded generals. As prime minister, Mrs Ciller defended a "military solution" to the war between the armed forces and Kurdish nationalists. She also dissolved the pro-Kurdish Democracy Party and put six of its members behind bars. She provided Dogan Gures, Turkey's top general, with a parliamentary ticket when he retired from the services.

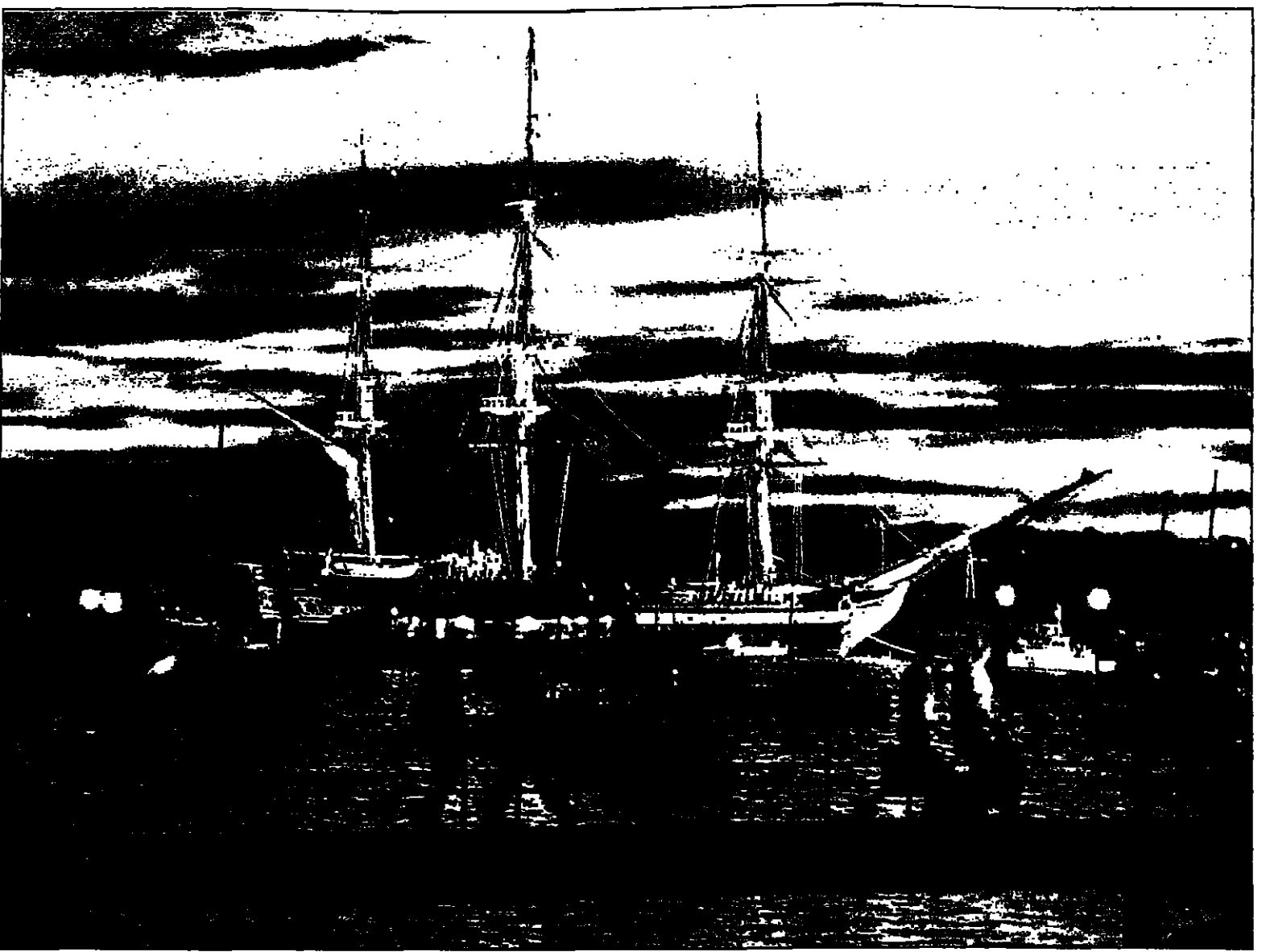
Mrs Ciller's relations with the generals soured when she teamed up with Necmettin Erbakan, Turkey's first Islamist prime minister, to form a coalition government last summer. Now, the military thinks Mrs Ciller had their phones tapped during her recently terminated period of government with Mr Erbakan, when a military coup seemed in the offing. Last week,

she said the armed forces had become "a matter for discussion". This was too much for General Gures, who resigned from the True Path.

The phone-tapping claims are probably more damaging than the allegations about the CIA. Several policemen have been arrested for spying on the army while Mrs Ciller was deputy prime minister in Mr Erbakan's government. At present, a military prosecutor is looking no further than Meral Akseener, the former interior minister. The trouble is that Mrs Akseener was appointed by Mrs Ciller. Should the latter be implicated, parliamentary immunity will provide no protection from accusations of treason.

Add to this an array of judicial threats, and Mrs Ciller's isolation becomes apparent. The new coalition government has prepared a constitutional amendment which would limit Mrs Ciller's parliamentary immunity. Her controversial husband, Ozer Ucuran Ciller, is the subject of investigations into property deals and his supposed involvement with organised crime. Most of these allegations appear to touch Mrs Ciller, too.

Plain sailing as grand old warship takes to the waves



Wind power: The USS Constitution, nicknamed Old Ironsides, the oldest commissioned warship afloat in the United States - she fought in the war of 1812 against the British - sitting in Marblehead harbour in Massachusetts, on the eve of her first sail under her own power in 116 years. Photograph: Reuters

Mayhem rules under the influence of affluence

How safe is India? Opinions differ, but now the monsoon is upon us, what I can say for sure is that I'm glad I don't live in a corner house next to a railway line. And when a man appeared in my local park the other day selling balloons, I looked at him hard and long.

One of India's more exotic, yet terrible, hazards is a "criminal tribe" called the Pardis. A couple of weeks ago, a few days after I arrived in this city, the Pardis drew attention to themselves in the only way they know how. The story was featured prominently in all Delhi's broadsheets, illustrated with diagrams and photographs of large pools of blood.

In a nice satellite town south-east of Delhi called Noida, four members of the Mathur family were killed with the utmost brutality and dispatch. Their assailants, taking advantage of the din caused by the air conditioners, wrenched the Mathurs locked and bolted front door off its hinges with crowbars, burst in on them and bashed their skulls in with clubs carved from

a particular sort of tree. They fled, taking everything of value except the computer.

Indian papers are less inhibited than British ones about naming the guilty in advance of the process of law and no one doubted this crime was the work of Pardis. It was all too clear: the massive crowbars, the blood-stained bludgeon abandoned at the scene. This is how Pardis always kill. And killing is what they do, in the same way that Welsh folk sing or Scots people keep careful accounts. It's traditional.

As the monsoon approaches they steal away from their hovels in rural Madhya Pradesh, central India, and head for the big cities. They move at this time because the cloudy monsoon nights make it easier for them to melt away after they have committed their crimes, while the rackety air conditions which the middle class use in this season enable them to break in unheard. Corner houses are preferred because comings and goings can be observed from a distance; railway

DELHI DAYS

tracks make it easier for them to rush away unseen. Often Pardis masquerade as balloon-sellers, choosing this innocuous cover as a way to move around, or loiter by a likely house, without attracting attention.

Pardis being profoundly traditional (and possessed thereby of the most solid genetic excuse, though that doesn't keep them out of jail on the rare occasions they are caught) have been doing their thing since the British days. Of course, the British didn't put up with their nonsense. They knew the Pardis' proclivities of old. So whenever Pardis left their home area, or entered a town, they had to report to the local police, on pain of imprisonment.

Come independence, such tyrannical restrictions were lifted, and the Pardis were given plots of land and told to go away and become good citizens and farmers. Only they didn't. All

they know, it seems, is how to bludgeon and steal. Within a few years they went back to their old ways, unchecked.

Relating this train of events, Indians yield an involuntary sigh. It's the same when they talk about the impossibility - due to corruption - of getting anything done about fire-trap cinemas, or pollution, or unlicensed storage of dangerous chemicals, or criminal politicians. No Indian, I imagine, misses the British as such. But they miss the order they imposed, the glue they forced between the interstices of Indian life. On the day Hong Kong went back to China, the pocket cartoon in the *Indian Express* had an Indian beggar advising a passing yuppie busy on his mobile phone, "Tell your friend in Hong Kong, it's better to start off with fear than hope."

"This is a very hard country to move." The observation of

Disraeli about Britain applies a million-fold to India. You can, in the end, move a bit of it; you can make the rich richer, and you can take that neat, clean family off their Bajaj scooter, mum, dad, two children and the baby, and stick them in a Maruti Suzuki 800cc ultra-compact car, and call them middle class. But what are you going to do about the Pardis and the millions like them, the "tribals", the hundreds of occupational castes who still cannot see beyond living out their lives in the traditional way?

East and South-East Asia's economic miracles have been founded on a myth - epitomised by Japan - of homogeneity. All jugged together, all got rich together; incomes doubled, as Japan's did in the 1950s, across the social spectrum. That way no one got consumed with envy, no one got left behind. But in a country as diverse as India, homogeneity will never be a myth; it cannot even amount to a lie. Millions of Indians are getting richer as the economy grows at about 6 per cent a year, and just as surely

hundreds of millions are getting left behind. The result will be disjunction on a scale so far unimaginable.

You get an inkling of the trouble to come when you travel on the main roads. Your vehicle is a Maruti Suzuki minibus taxi, quiet, reliable, fast, made in India, its thin skin well adapted to conditions in Japan, where traffic accidents hardly ever happen. This bit of road, built perhaps by the World Bank, is fast and wide and smooth. You are travelling at 80kph, the speed of traffic in the developed world.

You round a bend, and coming towards you in your lane, just yards away, are 500 long-horned cattle, or a herd of goats, or a train of carts loaded with bits of machinery and pulled by water buffaloes. There is no chance of stopping. India's highways are littered with the remains of crashes where the new and the old, the rich and the poor and the fast and the slow have smashed into one another. Forget the Pardis. Affluence is going to be much more dangerous.

Peter Popham

Want to win a shiny new Vespa scooter?

Play the Time Out & About Giveaway this summer, and a Vespa ET4 or one of 500 other prizes could be yours.

Call 0171 813 6154 for a free game card and see Time Out for details.

TimeOut



PIAGGIO

France to tax big firms for sake of EMU

Joanna Lee
Paris

The French Finance Minister Dominique Strauss-Kahn yesterday announced new plans aimed at meeting the Maastricht criteria for entrance into the European single currency.

The budget plans follow the publication of the government audit on public spending, which was called by the Prime Minister, Lionel Jospin, to report on the position of the French economy after a four-year period of right-wing government.

The 1997 budget deficit is between 3.5 and 3.7 per cent of the gross domestic product (GDP), or between 312 to 322 billion francs (£3.12bn to £3.22bn) and the government will need to do some serious juggling if they are to meet the Maastricht criteria

of a maximum deficit of 3 per cent of the GDP.

The plan is essentially an attempt to raise taxes and cut spending without upsetting the majority of socialist voters. The bulk of the savings will come from a tax increase on large companies. Twenty-two billion francs (some £2.2bn) will be raised from a temporary increase in taxation of 15 per cent on large companies.

The remaining £10bn will come from spending cuts. Mr Strauss-Kahn has committed himself to cuts of £2bn in defence, but would not specify where the remaining £8bn will be found.

The government has chosen to set its objective for the reduction of the deficit in monetary terms and not as a percentage of the GDP, as laid out by Maastricht.

However, the Finance Minister is adamant that France is still on course for the single currency.

"By the end of the year we will be in the same position as our partners," he said. He added that France had already satisfied the other four Maastricht criteria, namely low inflation and interest rates and a stable currency, as well as being one of the few countries to achieve a national debt of less than 60 per cent of the GDP.

Sharp criticism has come from the right, which has described the measures as "a threat to jobs and investment." Both the right-wing President, Jacques Chirac and his former Prime Minister Alain Juppé, refused to comment.

Germany 'on course'

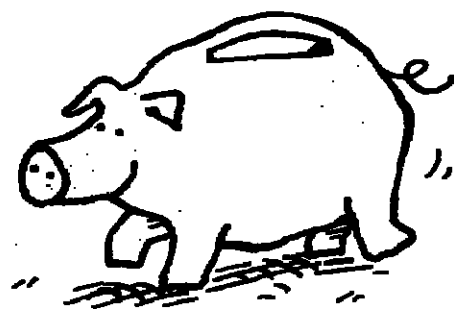
Germany hastened to refute French suggestions yesterday that Bonn would fail to meet the Maastricht criteria this year, writes Imre Karacs in Bonn.

Responding to rumours emanating from French official circles that Bonn was on course for busting the limits, the German government's spokesman was emphatic. "Our goal is 3.0 per cent and we will reach that," Peter Hausmann said. Commenting on French efforts to qualify for European Monetary Union, the German spokesman said: "What is important is that we all do our homework. It would be inappropriate to offer any advice."

MERCURY COMMUNICATIONS

CABLE & WIRELESS

THE MOST POWERFUL ARGUMENT FOR SWITCHING TO MERCURY IS MONEY. POTS OF MONEY, LOADS OF GLORIOUS, LOVELY, SACKLOADS OF MONEY.



GUARANTEED CHEAPER CALL BILLS OR DOUBLE YOUR MONEY BACK.

Wonga, dosh, dough, call it what you like, but with Mercury you'll make great savings if you make international or national calls. In fact, we're so confident that you'll save money on your call bill (even against BT's PremierLine and Friends and Family),

that if you don't, we'll refund double the difference. Call the number below. If only for the money.

Mercury

FreeCall 0500 500 366

Price Pledge terms apply on Mercury SmartCall and UK-Call call bills only, compared against BT's basic rates and discount schemes, excluding line rental and temporary promotional offers. Not available on Calling Card or business packages.

obituaries / gazette

Rosy Gibb

Over a 15-year clowning career Rosy Gibb must have entertained perhaps 200,000 children, often doing three or four live shows a day. But equally, she would happily perform to an audience of one.

I once saw her making herself quite invisible behind a very small pink glove puppet, tenderly cooing a desperately ill child at Great Ormond Street Hospital to respond to its gentle advances. Another time, while she was performing at an Autistic Home in Philadelphia, a shout of laughter erupted from a child whom the staff had that morning decided was unreachable and would have to leave the home: they called Gibb's work that day "a miracle".

It was as natural to her as breathing that a solid proportion of her performances should be for the mentally and physically handicapped, to whom she also taught clown skills, and she raised money from her regular shows and poster sales to give to charity or finance her work with the disadvantaged. But she never called attention to it, because like all the truly generous, she was unaware that she was.

Had she continued as she began, Rosy Gibb would no doubt have had a distinguished career as a literary academic and teacher. She had an MA in Philosophy, Fine Arts and English (for which she received a First), and an MPhil in Anglo-Irish Literature, both from Trinity College Dublin. But academia could never provide the "extra", to match the breadth of her talent and aspiration.

The daughter of Jack Gibson, the well-known Irish surgeon-tycoon, Rosy spent her childhood in Africa, the Channel Islands and Ireland. There was a madcap, storybook richness to it: for instance, in Ethiopia she flat-rated Emperor Haile Selassie's horses, and taught his grandchildren to ride – as well as representing Britain as a showjumper: she won an RSPCA gold medal for rescuing a drowning dog in the Liffey; she was Ireland's first twisting champion, and the swimming records she established at her Channel Islands school still hold, more than 40 years on, as does one of her backstroke records when swimming for Ireland.

At Trinity she was beautiful, brilliant and rebellious – yet also vulnerable and funny. If anything noteworthy happened, according to a contemporary, you'd know Rosy was at the heart of it, as she was, for instance, when she breached the

all-male debating society, dressed as a man. When she met Andrew Gibb in her second year, it was love at first sight, and their subsequent marriage was long and happy.

They moved to London, where she took a postgraduate diploma in social administration at the London School of Economics. In Dublin again she initiated the still-extant literacy programme for gypsies, and in London she influenced the Inner London Educational Authority to improve gypsy sites and education, later becoming the IEA's first travellers' teacher – as well as the only one who ever stayed the course.

But she still sought that "extra", and in mid-life decided, with characteristic single-mindedness, to discover what she really wanted to do. Nothing quite fitted, not even painting, for which she had a great gift (she had her first exhibition a year before she died). Then a friend said she'd be a wonderful clown, took her out busking – and she'd found her métier.

Here was something that called out all her qualities – her impish mischief and instinct for paradox, her clear intelligence and athleticism, her extraordinary capacity to provoke yet protect, her deep love of children – and, above all, her own childlike innocence. She never lost the openness of a child, and that was the essence of her radiance: her "extra" dimension. And she retained, too, throughout her life, the child's (and clown's) capacity to hurl herself into things without fear – or rather, because she did get frightened, without fear of fear.

With exemplary and painstaking care Gibb, nearing 40, taught herself magic, juggling, mime, acrobatics, fire-eating and light-painting, and mined her own psyche, often painfully, to discover the essence of real clowning. The going was so tough, most people would have given up: one of her earlier audiences comprised two drunk men and a dog. But by the early 1980s, during the International Festival of Street Magicians, she was *Time Out's* Street Magician of the Year, and over that decade slowly earned her reputation as Britain's top female solo clown.

Her audiences loved her for many things, not least for her openness and availability: on stage, as in every social encounter, she would risk herself all the time, emotionally as well as physically: never hiding, constantly taking chances, always learning, living vividly in



Conquering the male world of magic: Gibb didn't take up clowning until she was nearly 40

the moment. She befriended a blind man one night when in Ireland, taking him up the Wicklow mountains to see the sights, both of them giggling at that bizarre idea, and even though she had no doubt been told his name was Ray Charles, it would have meant nothing to her. She had no notion of rank or hierarchy, and somehow never knew if an individual was famous.

But she made friends as easily as she smiled, and astonishingly, those friendships always held. It could equally be, as it often was, the (late) Professor of Philosophy at Oxford or the Professor of Nuclear Physics at Cambridge who turned up at the door as a member of one of the families living under the Westway, or a circus troupe

from Germany arriving unannounced to beg a floor for the night.

Magic had always been a strong thread in Gibb's clowning, but in the last five years she focused on it, wanting to learn more, and reach an adult audience. After a memorable "exam" performance in front of her peers, she was admitted to the International Magic Circle, one of two dozen females in a membership of 1,400 men. It was such a star performance, so "extra" to requirements, that there was talk of making her a full member of the "Inner Circle" immediately. But precedent was against it and after some controversy precedent won.

Even so, Rosy Gibb gloried in conquering the male world of magic, and relished her growing

reputation within it. By now she was in demand not only in Europe and the Americas, but in the Middle East and India as well. Last September she won from the International Brotherhood of Magicians the prestigious Craig Trophy, the emblem of success in the magic world. She met her final illness with rare grace, and with courage and curiosity too, confronting it as she'd confronted every challenge in her life (and indeed every day in her life) – as an opportunity to extend her limits and learn something new.

Pat Williams

Rosmary Elizabeth Jane Gibb, clown: born Dublin 8 November 1942; married 1967 Andrew Gibb (one son, one daughter); died London 13 July 1997.

Cecil Bruton

When Cecil Bruton retired in 1983 he was presented, amongst other more conventional gifts, with a child's miniature garden roller labelled "Lot 1". He retained a great affection for this symbol of his many country house auctions.

He always reckoned that the most unusual lot he ever sold was a pair of Wat Tyler's boots. He remarked dryly that Tyler must have been very relieved to remove them as they looked most uncomfortable.

He was the fourth generation of his family to join the Gloucester firm of Bruton Knowles and Company (now Bruton Knowles) and his career lasted 53 years. Born in Gloucester in 1912, he was educated at the Nautical College, Pangbourne, his ambition being a career in the Merchant Navy. The 1930s slump forced him to change his plans but he retained a lifelong love of the sea and was proud of his wartime service in the Royal Navy.

As well as property and fine art he regularly sold livestock in Gloucester Cattle Market. His stamina was legendary: it was not uncommon for him to sell for seven hours without any break at all – a tremendous feat of concentration.

Bruton devoted much of his time and energy to voluntary and charitable work, and raised many thousands of pounds for good causes. He held two sales for Gloucester Cathedral and another two for Tewkesbury Abbey. In 1977, by invitation of the Duke of Beaufort, he realised £18,000 towards Gloucestershire's contribution to the Queen's Silver Jubilee Appeal.

His long association with the Royal Agricultural Benevolent Institution began in 1932 when, by means of a special sale in Gloucester Cattle Market, he collected £30 – a sizeable sum at a time when the average weekly wage was around £5. He was secretary of the RABI's Gloucestershire Committee

from 1960 to 1987 and a member of the national council for nearly 25 years. In 1989 he was awarded the RABI cup, the first member of the council ever to receive it. He was elected a vice-president in 1990. He never lost sight of the individuals whom the institution served. He sought to provide down-to-earth help, whether it was getting an RABI pension for a needy widow or organising a telephone for someone who could not otherwise afford it.

There were many other public roles. He served on the committee of the Three Counties Agricultural Society, becoming a vice-president in 1981. He was president of the Gloucestershire Root Fruit and Grain Society from 1960 to 1992. He was a life vice-president of the West Midlands Holstein Friesian Breeders' Club. From 1983 to 1991 he was Treasurer of the Friends of Gloucester Cathedral. For 20 years he was a city magistrate.

Bruton was a great raconteur and had a fund of auction stories. He particularly enjoyed his dealings with Prinknash Abbey, where, as land agent for a number of years, he was a frequent visitor, often joining the Benedictine monks for a simple silent meal.

Once he was asked if he would accompany two monks to Gloucester station to meet a visiting abbot. Bruton felt conspicuous enough standing on the platform flanked by his two companions in hooded habits but was unphased when the train arrived, the visitor alighted, and the two monks prostrated themselves on the platform.

Bruton's work brought him into contact with people from every section of society. All were treated with the same respect and courtesy. He enjoyed sport and played cricket for the Bruton Knowles and Co cricket team. His great passion was motor racing, latterly only as a spectator but in his youth as a



Bruton: country auctions

participant, winning an award in the London to Land's End rally in his souped-up Austin Seven.

Only three years ago whilst on holiday he was persuaded by his grandchildren to do a lap of a go-kart circuit which he performed with panache.

Nicola Bennetts

Cecil Tew Bruton, auctioneer: born Gloucester 5 April 1912; married 1938 Diana Harris (one son, one daughter); died Gloucester 12 May 1997.

Sir Garfield Barwick

Garfield Barwick was arguably Australia's most successful barrister this century. He was also a remarkable foreign minister and a controversial Chief Justice. As a leading QC in the 1940s and 1950s he fought, and usually won, some of Australia's most significant constitutional cases. But as Chief Justice in 1975 his advice to the Governor-General, Sir John Kerr, which led to the dismissal of the incumbent Whitlam Labor government, divided the nation. For good or ill, Barwick will be remembered for this intervention long after the extraordinary achievements of the rest of his life are forgotten.

Barwick was born in 1903 in the slums of inner Sydney. The family was Methodist working class, and his father a struggling typesetter. The young Barwick walked miles across town to school, sometimes barefoot. He climbed the scholarship ladder rapidly, first to the famous Fort Street school and then to Sydney University, where he read Law and won a university medal.

His father invaded with lead-poisoning, Barwick had no family money to back him. This situation was compounded in Barwick's early days at the Bar when he suffered bankruptcy having to meet obligations as guarantor of a business loan taken out by one of his brothers. Nevertheless, "Gar" Barwick steadily built up a reputation as a brilliant advocate, particularly in commercial cases.

He took silk in 1942. In 1944 he argued in court that the painter William Dobell should not be awarded the Archibald Prize for portraiture as the work was a caricature. Barwick lost the case, but gained a valuable public profile.

Less spectacularly, throughout the war years Barwick successfully defended many businesses against the excesses of government wartime regulations. When the Chifley Labor government moved to nationalise Australia's interstate airlines in 1945, it was Barwick who thwarted the attempt in court. Two years later, Chifley sought to nationalise Australia's private banks, and Barwick was the natural choice to lead the team of lawyers sent to London to put the banks' case before the Privy Council.

After a lengthy hearing Barwick managed both to defeat the government's case and to best another Fort Street lawyer, Bert Evatt, who as Attorney-General was his main opponent. So began over a decade of lucrative and rewarding work before the Privy Council.

Barwick's method suited the appeal courts. He eschewed rhetoric and histrionics and quietly and carefully made his points of law. A man of short stature (5ft 4in), slight build and with a thin, piping voice, Barwick had to rely on his wits and hard preparation. Evatt's nickname for him, "Bustly Tail", conveys something of the busy, bright-eyed sharpness with which the dapper Barwick went about his work. Others were

less complimentary, an exasperated Gough Whitlam, for instance, was named in parliament in the early 1960s for calling him a "truculent runt" and a "bumpkins little bastard".

The Cold War years found Barwick the preferred advocate in the Menzies Liberal government's failed attempt to ban the Communist Party in 1951, and he was also appointed to represent the Australian secret service in the celebrated Petrov Royal Commission of 1954 – the antipodean equivalent to the McCarthyite witch-hunts which so bedevilled American politics at that time. Barwick was knighted in 1953 for his services to the law.

With few peaks left to conquer in his profession and having amassed a considerable personal fortune, Barwick turned to federal politics, and was elected Liberal member for Parramatta in 1958. Delighted to have his talents, Menzies soon had him on the front bench. Two years earlier Barwick had been diagnosed with diabetes, but he chose to keep his condition secret. His deep-seated tendency to work alone and his intolerance of criticism made him, by his own admission, an indifferent politician: even so he proved to be a minister of sound judgement and considerable courage.

As Attorney-General Barwick stood up to his conservative colleagues and to the Catholic Church when he introduced Australia's first no-fault divorce legislation. And, as foreign minister, he took a long view of Indonesia's sabre-rattling over Dutch New Guinea. He agreed with the dictum of Indonesia's President Sukarno that the Dutch would eventually go, but that geography dictated that Australia would stay. Consequently, despite press accusations that he was an appeaser, Barwick kept the channels of communication with Indonesia open and played a constructive role in brokering a settlement.

In 1964, troubled by his diabetes, Barwick asked to leave parliament at the next election, and Menzies almost immediately appointed him Chief Justice. At the time some said that Menzies wanted him out of the way, but it is more likely that Barwick was simply the best person available for the post. Barwick held the office for a record 17 years.

By today's standards he was a very conservative Chief Justice, seeing himself as applying the law rather than as interpreting or making it. His judgments were known for favouring the interests of individuals or companies over those of the state, and particularly for endorsing tax minimising schemes, including perhaps that of his own family company, Mundroola Pty Ltd.

One of his major monuments was the new glass and ferro-concrete High Court building opened in 1980 whose foundations and overblown magnificence earned it the sobriquet "Gar's Mahal". Failing eyesight brought

on Barwick's retirement in 1981, at which he quipped, after Sir John Harvey: "Justice may be blind, but justices may not".

During the Whitlam Labor governments, 1972-75, both government and opposition were deeply embroiled in dubious political manoeuvrings. These led to Labor's loss of control in the Senate and in October and November 1975 to the persistent suspension of supply bills, a ploy which threatened to freeze the administration of the country. In these circumstances, and amid great public uproar, the Governor-General, Kerr, sacked the Whitlam government and forced an election.

Barwick remained studiously aloof from the affair, though Kerr was a friend, and a fellow lawyer and Fort Street old boy. When Kerr eventually officially asked his opinion, he advised that Kerr's planned course was legal. And so it was. As to the political advisability of Kerr's action, given that Labor still commanded a majority in the lower house, there will always be argument. It is indisputable, however, that in the ensuing election on 13 December Labor suffered defeat by a landslide.

Since then Barwick has remained a controversial figure.



Barwick: 'Sir John did his duty' Photograph: Camera Press

In retirement he wrote a book justifying Kerr's decision, *Sir John Did His Duty* (1983), and his own apology, *Radical Tory* (1995), this latter a serene defence against the charges levelled against him in David Marr's hostile biography *Barwick* (1980), the only one yet written.

For much of his life Garfield Barwick was an ardent skier, horseman, conservationist, gardener, fisherman and yachtsman. In more ways than one, his life bore out his old school's motto: "Every man is the maker of his own fortune."

Carl Bridge

Garfield Edward John Barwick, barrister: born Sydney 22 June 1903; called to New South Wales Bar 1927; KC 1941; called to Victorian Bar 1945; KC (Vic) 1945; Ki 1953; called to Queensland Bar 1958; QC Queensland 1958; Attorney-General, Commonwealth of Australia 1958-64; Minister for External Affairs 1961-64; PC 1964; Chief Justice of Australia 1964-81; GCMG 1965; AK 1981; married 1929 Norma Symons (one son, one daughter); died Sydney 13 July 1997.

Robert Mitchum

I was surprised that in your obituary of Robert Mitchum [by Gilbert Adair and Tom Valance, 3 July], you neglected to mention his record career, writes Bruce Thompson.

He composed and recorded "Ballad of Thunder Road" in 1958, which made the *American Billboard* Top 100 in a mid-sixties position and reached

that position again, four years later, in 1962. He also cut a wonderful LP of calypso tunes in 1958.

He heard Charlie Walker's version of "Little Ole Wine Drinker Me" and cut a version himself, under the production eye of the late Bill Justis (with sidemen Floyd Cramer, Boots Randolph and Jerry Reed, among

others). Mitchum's version is the top-selling country-and-western version so far (Dean Martin's being the top-selling pop version). This stimulated Monument records in the United States to cut a further LP in 1967 which included a new version of "Ballad of Thunder Road" and a wonderful version of "Little White Lies".

Robert C. Weaver, economist and politician, died New York 17 July, aged 89. Became the United States' first black Cab-

inet member when Lyndon B. Johnson appointed him secretary of housing and urban development in 1965.

Arthur Liman, lawyer, died New York 17 July, aged 64. The Senate's chief counsel in the 1987 Iran-Contra hearings.

Births, Marriages & Deaths

BIRTHS

THOMPSON / JOAO: Andrew and Eliza wish to announce the birth of their daughter, Anna Jo Thompson, on 10 July 1997 at the Hammersmith Hospital, London.

DEATHS

ROGER: Alan Stuart, peacefully on 15 July, aged 88 years, at Royal Berkshire Hospital, after a courageous six months whilst recovering from a stroke. Funeral service at Golden Green Crematorium (West Chapel) on Monday 22 July at 12 noon. No flowers please but donations if desired for Trinity Hospice. Enquiries and donations may be sent to A.B. Walker & Son Ltd Funeral Directors, Eldon House, 3a Eldon Road, Reading RG1 4DL, telephone 0118-957 3650. A Memorial Service will be held in London at a date to be arranged later in the year.

For Gazette BIRTHS, MARRIAGES & DEATHS, please telephone 0171-293 2011 or fax 0171-293 3010.

Birthdays

Mr Harry Barnes MP, 61; Dr Sir Reginald Bennett, former MP, 86; Mr Jetmund Engeset, Surgeon to the Queen in Scotland, 59; Mr Bryan Forbes, novelist and film producer, 71; Sir Patrick Garland, High Court judge, 68; Mr Jimmy Hill, television soccer presenter, 69; General Sir Charles Huxtable, former Commander-in-Chief, UK Land Forces, 66; Mrs Joanne Kennedy, civil engineer, 47; Miss Bonnie Langford, actress, 33; Professor Sir Ronald Mason, chemist, 67; Dr David Quarmby, chairman, British Tourist Authority, 56; Mr Terence Stamp, actor, 59; Sir Anthony Stuen MP, 58; Mrs Alison Willcocks, Head of Bedales School, 45.

Anniversaries

Births: Anthony Ashley Cooper, first Earl of Shaftesbury, statesman, 1621; The Rev William Archibald Spooner, originator of "spoonerisms", 1844; Frederick William Ruffin ("Baron Corvo"), writer, 1860; Stephen Vincent Benet, poet and novelist, 1898; Alexander Calder, bent-wire and metal sculptor, 1898. Deaths: Marie François-Xavier Bichat, anatomist, 1802; Giuseppe Piazzi, monk and astronomer, 1826;

John Meade Falkner, novelist, 1932; Florenz Ziegfeld, theatrical producer, 1932; John Dillinger, "Public Enemy No. 1", shot dead in an ambush 1934; Carl Sandburg, poet, 1967; Sir Robert Eric Mortimer Wheeler, archaeologist, 1976; Harold Larwood, cricketer, 1995. On this day the English defeated the Scots, led by Wallace, at the Battle of Falkirk, 1298; the Duke of Wellington defeated the French in the Battle of Salamanca, 1812; Wiley Post completed the first round-the-world solo air flight in 7 days, 18 hours, 49 minutes, 1933. Today is the Feast Day of St John Lloyd, St Joseph of Palestine, St Mary Magdalene, St Philip Evans, St Vandrille or Wandregisilus.

Lectures

National Gallery: Christopher Baker, "Precious Objects (4): Conspicuous Wealth: Dutch still lifes of the Golden Age", 1p.m. Victoria and Albert Museum: Geoffrey Ople, "Print Techniques", 2.30pm. British Museum: Paul Craddock, "The Copper Mines of Prehistoric Britain", 1.15pm. National Portrait Gallery: Catherine MacLeod, "Elizabeth of Bohemia, 'the Winter Queen'", 1.10pm.

Changing of the Guard The Household Cavalry Mounted Regiment marches the Queen's Life Guard at Horse Guards, 11am. The Household Cavalry marches the Queen's Guard at Buckingham Palace, 12pm.

Harrods can be liable for racial discrimination claims

LAW REPORT

22 July 1997

Elmi v Harrods Ltd and anor; Harrods Ltd v Elmi; Harrods Ltd v Seely; Court of Appeal (Sir Richard Scott, Vice-Chancellor, Lord Justice Waite and Lord Justice Ward) 17 July 1997

A complaint of racial discrimination under section 7 of the Race Relations Act 1976 might be brought against Harrods Ltd by a person employed by a licensee of Harrods to work in its department within a Harrods store.

The Court of Appeal dismissed Harrods' appeal against a decision of the Employment Appeal Tribunal that section 7 of the Race Relations Act 1976 applied to persons working in its store who were employed by its licensees.

Professor Bob Hepple QC (Hon) and Paul Goulding (Legal Adviser, Harrods Ltd) for Harrods; Laura Cox QC, Martin Wright and Sandhya Drew (Commission for Racial Equality) for Mrs Seely and Mrs Elmi; Mrs Renwick did not appear and was not represented.

Sir Richard Scott V-C said that none of the three respon-

dents had ever been or had applied to be an employee of Harrods.

Harrods operated a system whereby it granted licences under which the licensee became responsible for a particular department at which its goods were sold. The licensee provided the sales force. Each member of the sales force, however, had to be approved by Harrods and had to observe Harrods' rules regarding dress, deportment and behaviour.

Harrods might withdraw its approval of any such individual at any time. The goods on sale in the department, although provided by the licensee, were sold by the licensee to Harrods immediately before their sale to the public, for the price at which they were to be sold to the public less a percentage, which constituted Harrods' commission.

Mrs Renwick, who was black, and Mrs Seely, who was of Asian origin, had both been employed by Harrods.

Mrs Elmi, who was black, had applied for a vacancy advertised by a Harrods' licensee. She had been sent to Harrods for approval, which was withheld. Her complaint was heard

in full and dismissed by the Industrial Tribunal. No reliance had been placed on section 7 in her case, but, on appeal, the Employment Appeal Tribunal allowed the point to be taken.

Two questions were raised on the present appeal: whether the work done by individuals in the position of the respondents at Harrods' departments was "work done for Harrods" for section 7 purposes; and whether individuals such as the respondents were persons supplied by their respective employers "under a contract made with Harrods".

Under Harrods' contractual arrangements with its licensees the members of the licensee's staff would be selling goods which, at the moment of sale, belonged to Harrods. The gross sums they received would be paid over to Harrods. All of that work was work required by Harrods, under its contractual arrangements with the licensees, to be done by staff em-

ployed by the licensees. Furthermore, the contractual arrangements entitled Harrods to impose rules governing the conduct of staff members in carrying out that work. Against that background it could properly be described as "work for Harrods".

If section 7 did not apply to persons such as the respondents, they would be left without a personal remedy in the event of discrimination by the principal.

It had been argued on the second question that section 7(1) required that the supply of workers should be the primary purpose of the contract between principal and employer, and that the primary obligation imposed on a Harrods' licensee was to market goods. There was no justification for an exercise under which primary and secondary obligations were sought to be identified. If the supply of the worker was pursuant to an obligation under a contract, that would do. The appeal was dismissed.

Kate O'Hanlon, Barrister

Yes or no, Wales is ready for the great debate

Speak up the noes. The Welsh no vote campaign, launched yesterday, has yet to put forward its substantive arguments, and it may well be that we will find them wanting. But the no campaigners are doing a service for democracy in the Principality merely by existing, and, potentially, they will be enlightening the rest of us, especially those ignorant Englishmen and women who glibly elide Scotland and Wales as a "Celtic fringe" as if geographical peripherality imparted a uniform political consciousness.

Democracy is a process not a result. It works best on the back of dispute and (polite) disagreement. Labour has come to power offering the inhabitants of Wales a chance to decide something fundamental about how they are governed; anything that enhances their understanding and stimulates their appetites for the decision must be good. The participation of the late Sir James Goldsmith in the general election improved that contest by offering voters both the Referendum Party arguments and the chance to vote for its motley candidates (in the event, voters got the chance to see how threadbare the ultras' clothes really were). Likewise the bankrolling of the no campaign in Wales by a wealthy expatriate – Sir Julian Hodge lives in the Channel Islands – is no disability. The idea that, however much is spent, anti-devolution propaganda could, within

the next couple of months, sway the people of Wales one way or another is risible when they have had generations, not to mention the 20 years since the last referendum, to form their attitudes.

So what if the noes are being aided and abetted by the Conservatives – this contest will be a stern test for William Hague, whose position, at latest inspection, starts with opposition to the referendum itself, which for a party purportedly in the throes of democratic self-renewal is no position at all. Since one of the devolutionists' strongest cards is the state of Welsh governance after 18 Tory years, the Conservatives have got a lot of explaining to do.

But this is really not a left-right issue, and there is every reason for Labour to strike the shackles off its members in Wales who want a good scrap. A month ago, Labour gave every sign that it wanted to strangle debate – the altercation between devolution dissident Llew Smith and Welsh Secretary Ron Davies was no advertisement for a party of thinking people. Since then, however, there have been signs that Labour has relaxed a little. Clearly it will take courage for Labour backbenchers, let alone junior ministers, to raise their profile. Yet the embolism expression of the official line by Tony Blair on his visit to Wales on Friday conveyed what is surely the essence of Labour's approach: it has constructed the referendum precisely to allow



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 0171-293 2000 / 0171-345 2000 FAX 0171-293 3405 / 0171-345 2435

Welsh people an opportunity to deliberate and decide. He has taken to wearing his British nationalist beliefs on his sleeve, so who is to say the ultimate Blairite position is not a Welsh no vote?

Now that the no campaign is under way and the Government's White Paper on electoral methods forthcoming, what ought the people of Wales to be debating? The principal question has to be whether there is a deficit in the system of Welsh government, an oppression visited upon the Welsh because they lack a lever of political control. Much has been made of the growth of Wales-wide appointed bod-

ies under highly indirect political control – the talk is of putting these quangos "under" the Assembly. But there is also a good deal of pride in Wales at the performance of the Welsh Development Agency: it has been an investment-getter of a kind people might have liked to have on Tyneside, in Plymouth and Manchester. The Permanent Secretary of the Welsh Office has, by all accounts, refused glittering job offers in London in order to remain mistress of her Cardiff ship: is that because civil servants there are less or, indeed, more accountable? Lord Tonypantry may be past it, but yesterday

there was widespread assent to his proposition that the existing system of Welsh government – Welsh Office and unitary local authorities – works well, is trusted by the populace, and so there is no mechanical reason for change. A no vote could easily be interpreted as an endorsement of Labour domination of the Principality's principal instruments of self-government, the local authorities, even though the councils themselves seem to want an assembly (as long, presumably, as it does not encroach on their own sphere of influence).

But the referendum is going to be as much an exercise in sentiment as a cold appraisal of accountability. Perhaps this boils down to the question of what 18 years of Tory rule have done to Welsh identity and aspiration. There is little doubt that the Tory era appreciably deepened Scottish self-identification and whetted the appetite for political and institutional change there. Welsh experience has been different, despite the Conservatives' failure to find successive secretaries of state who had actually been born in Wales. But why should this surprise us? Welsh national feeling may find satisfactory expression in culture, and national pride required by official recognition: it is hard to describe official arrangements for Welsh language use, including television, as anything other than generous. A no campaigner complained yes-

terday that on the Government's referendum timetable the Scots will get to vote first, and so the Welsh will vote yes on a "me too" basis. But here is another example of the Celtic fringe fallacy: are the Welsh really so weak-minded? No campaigners owe their fellow countrypeople better debate than that. From Aberdare to Wrexham, the next eight or so weeks ought to be a summer festival of the democratic politics of identity.

Chris Smith's culture club

Having agonised about what to call the former Secretary of State for National Heritage, we find that the Secretary of State for Culture, Media and Sport (in that order) can simply be called the Culture Secretary. We applaud: media and sport are part of our culture. But a word of advice for Chris Smith: to take care who he decides, among male cabinet colleagues, is attractive. In an interview he identifies only the Prime Minister, which could be seen as sycophantic, and Jack Cunningham, which some people might see as misjudged. Now, Gordon Brown may be offended by his exclusion. Was it accidental, or considered? Taste is a tricky thing – as any Culture Secretary should know.

LETTERS TO THE EDITOR

Crashes on a chaotic Internet

Sir: I read with interest your report "US left in cyber limbo as the Net crashes", (18 July). As chief executive of an industry consortium with over 200 members, I suggest that these events might just be the tip of the iceberg.

Today's Internet is not unlike the railways of a century ago. Railways were not originally designed for passenger traffic. The tracks were laid, but they had different gauges, different platform heights, and they didn't attach to one another. The railway network was not fully useful until these issues were addressed. Similarly the Internet was not designed for public use; the tracks have been laid, the trains are running, but there is no secure and reliable infrastructure.

The Internet is currently an ill-disciplined environment that has significant security problems associated with it. Few companies are willing to accept the risk of committing anything remotely important, valuable or operationally mission-critical on to it. As Peter Tiltley of BT Net rightly says, "People across the world are coming to rely on e-mail." What is required is a robust Internet infrastructure that protects freedom of choice, provides flexibility, encourages innovation and is based predominantly on widely agreed industry standards.

Unless the major information technology companies collaborate with each other and with their customers, and solicit the sanction of governments, there will be no true commerce on the Internet. Just a lot of unhappy companies hoping that a willing customer stumbles across their web-site, and unhappy salesmen wondering why the orders are not flowing into their e-mail in-boxes. What is needed is an "IT dial tone" which would help make the Internet as reliable, secure and easy to use as the telephone.

Muslims back abortion fight

Sir: Muslim Aid and the Muslims in Britain were very pleased to read that the new campaign by the Archbishop Thomas Cardinal Winning in Scotland to protect unborn children from being killed through abortion has been successful as the first child from this pro-life scheme has been born ("First child born in anti-abortion deal", 21 July).

Following the launch of this noble campaign in March, I sent from Muslim Aid £5,000 as a first contribution in order to help to save life.

We Muslims believe strongly in the sanctity of life, and only God the creator of all life is the owner of life. In Islam, suicide, assisted suicide or euthanasia and abortion are forbidden. Muslims today are moving to join the pro-life campaign in Britain with our good Christian friends in order to keep God's law.

Dr A MAJID KATME
Secretary
Muslim Aid
London N7



Science must talk to the people

Sir: Trevor Phillips is right to identify the social control of science as a key problem for the next century ("Who will be the master of the science genie?", 19 July); and he is also right to see greater openness on the part of scientists, greater understanding of science by non-scientists, and avoiding over-reliance on the courts as important ingredients in its eventual solution. But I'm not sure that his advice to the Prime Minister to hand the issue over to "someone with the right qualifications" (whatever those might be) is particularly helpful.

The question is: how can we facilitate better democratic decision-making about socially sensitive issues arising out of science and technology? The answer is: by facilitating greater public participation in the relevant decision-making processes. If we persist in relying upon small numbers of supposed experts, be they natural scientists, social scientists, or policy-makers, the result will be further public disenchantment with science and with politics.

Across Europe, the hunt is on for new ways of involving the public in debate and decision-making about science and technology. Experiments are being conducted with citizens' juries, consensus conferences, deliberative opinion polls, people's parliaments and other formats that promise to bring experts and non-experts together to deliberate about public policy.

If science is to be placed at the service of democracy, then scientists and non-scientists must

learn to do business together despite obvious inequalities of knowledge and expertise. We need to create new forums in which people can come together on equal terms. The new information technologies may help here, but in the end the key to success will be the political will to create new kinds of democratic institution.

JOHN DURANT
Assistant Director, The Science Museum
Professor of Public Understanding of Science, Imperial College, London

Civil wedding for Charles?

Sir: The King or Queen may have the technical role of Supreme Governor of the Church of England, but he or she is still subject to its discipline ("Marriage of Charles poses risk to church", 19 July).

It is very occasionally appropriate for priests to marry a couple in church when both partners are divorced. Priests are legally able to exercise this discretion after suitable investigation, but generally refuse to do so if either of the parties has been a direct cause of the breakdown of the previous marriage(s).

In most cases, priests offer a service of blessing, which usually includes prayers of penitence (with or without a Eucharist) which takes place soon after the couple has been married civilly. This the

church tries to witness both to marriage as a life-long commitment and to God's compassion for those who for various reasons have been unable to carry it out.

From the information available to the general public, it would seem that if the Prince of Wales is to marry again he should do so in a civil ceremony (changing the law if necessary to make this possible) and then like other Anglicans ask for a private service of blessing with a small group of friends and relations.

CAROL ALAN WILKINSON
Portsmouth

The American nightmare

Sir: I don't understand. The news recently, including your leading article of 19 July, talks of "the amazing performance of the United States economy – prices are stable, unemployment is dropping and productivity climbs ever upwards".

This is not the US which I know. In Seattle, one of the best cities for social services, the demand for public shelter from homeless people is higher than the supply of beds. One regularly sees people sleeping under the freeway bridges and in the parks. On the opposite coast, in my home city of Baltimore, walking through the city in the middle of a weekday, one sees the young men sitting on their front stoops idle, as the children attempt to play on the nearby play

areas where all the equipment is rusted or with nails protruding. A year ago President Clinton signed a bill to end federal help for poverty – passing the responsibility to the individual states, themselves with inadequate resources. A child in the inner city has the same chances for life and literacy as a child in the Third World. In the rural areas, harvesting work is still done largely by migrant families whose children receive minimal or no health care or education.

Where have all these people gone in the new statistics? Has the bottom tier of society simply been dropped?

CARRIE FOX
Ceredigion, Dyfed

How to clear prison cells

Sir: As proposals to manage prison overcrowding become ever more outlandish – not to say off-shoreish – it may be timely to revive a suggestion which was made several years ago but which I have not seen canvassed recently.

Most efforts to reduce the prison population meet objections on the grounds that they interfere excessively with the courts' discretion, disturb proportion in sentencing, undermine deterrence or otherwise compromise the safety of the public.

There is, however, an approach which threatens none of these principles. First set a limit on the

size of the prison population. When that limit is reached, the admission of another prisoner immediately triggers a release. In other words, the level of remission would be calibrated to respond to the pressure upon the system as a whole. In effect, this would bring forward the release of prisoners by no more than a matter of days. Those given longer sentences by the courts would serve longer sentences.

Not the least of the advantages of this approach is that there would be the beginning of a connection between courts' decisions and the mechanisms of early release. One of the problems of the present system is that it protects sentencers from the consequences of their decisions.

ROBERT CANTON
Keyworth, Nottinghamshire

Off the road

Sir: Your report "Law allows lorry drivers to work while exhausted" (17 July) is misleading.

The legislation the Department of Transport was referring to appears to be the Transport Act of 1968, and applies only to drivers of vans under 3.5 tonnes, service buses and so on. The vast majority of lorry drivers are controlled by EU hours legislation, with working hours recorded by tachograph.

In each period of 24 hours, a driver must have a rest period of at least 11 consecutive hours. After driving for four and a half hours, a driver must take a break of at least 45 minutes, unless he is beginning a daily rest period.

RICHARD SIMPSON
Editor, Trucking International
Gloucester

Goldsmith, the enemy of Europe

Sir: I really do feel the public should be spared the oceans of hypocrisy about James Goldsmith and his role in European politics.

Goldsmith was able, cheerful and energetic. His fight against cancer was brave and he will be sadly missed by his many friends. However, his role in European politics was destructive and dangerous. The nationalism of his rhetoric helped to fuel some of the worst prejudice we have experienced in Europe since the Second World War.

Goldsmith will not be missed in the European Parliament, where he showed little respect for democracy and international co-operation. He was a "chequebook" politician who tried to buy political influence in Britain, France and the European Parliament. Goldsmith was a nationalist in an international parliament which he rarely attended.

MICHAEL MCGOWAN MEP
(Leeds, Lab)
Leeds

Foreign farriers

Sir: I cannot accept the gross overestimate of job losses if hunting is banned (Letters, 17 July). The farrier I use for my donkeys is from the USA and a friend has a Swedish farrier. Both have come to the UK because of the abundance of work available. The same applies to vets, with many coming over here to take up posts from Australia, New Zealand and South Africa. There is no prospect of 5,000 unemployed vets and farriers.

DIANNE SHARP
Hitchin, Hertfordshire

Safe in the city

Sir: According to Cramp and Simmons, (the ornithologists' bible) 6 per cent of tufted ducks have broods of 17 (photograph, 16 July; letter, 18 July). Normally, of course, many ducklings would be gobbled by predators within a few hours of leaving the nest. But I think human beings are more likely to suffer predation in Westminster than ducklings.

MOLLIE CAIRD
Oxford

Servants of God

Sir: On 12 July you reported a Court of Appeal decision refusing a Church of England curate the right to take his case for unfair dismissal before an industrial tribunal on the grounds that God was his employer (and presumably dispensed His own justice).

Today (21 July) I read that a dean is likely to be paid £250,000 in return for his resignation from the same organisation.

God certainly still moves in a mysterious way.

PETER CASTLE
Gillingham, Kent

Outlaws

Sir: Glenda Cooper ("Why the long face?", 21 July) tells us that estate agents, MPs and journeymen fight it out to be our least popular and trustworthy professions. Surely, there's no contest; lawyers take the prize every time. Besides, the House of Commons is stiff with them.

STEPHEN VARCOE
Alphastone, Essex

profile

18

MI
NI
Th
ch
ph
ES
ur
ev
or
ve
th
w
h
e
r
e
i
s

Will he stick his neck out for peace?

David Trimble has made some radical moves in his chequered career in loyalist politics. But now the leader of the Ulster Unionists faces his most critical decision, says David McKittrick

Twenty-two years ago a much younger and clearly more naïve David Trimble stuck his neck out in a bold move aimed at making a historic deal with Northern Ireland nationalists. He promptly had his head chopped off by the Reverend Ian Paisley.

He and a small number of Unionist politicians – most of whom had, oddly enough, previously been known as hardliners – broke ranks with the Unionist mainstream to suggest a system of “voluntary coalition”. Under this modest proposal a Unionist prime minister would invite nationalists into his cabinet and thus, in effect, set up a power-sharing administration.

The idea of having Catholics and nationalists in government was too much for the leadership of Unionism, and when the plan was revealed the wrath of the Rev Ian Paisley and other loyalist leaders was terrible to behold.

Mr Trimble and his associates were denounced, anathematised and pilloried. Although then only a minor figure, he incurred Mr Paisley's particular anger when, speaking at the final session of the Northern Ireland constitutional convention, he closed his speech with the words:

“We should look for our brave men in prisons and for the fools among politicians.”

White and trembling, Mr Paisley got to his feet to deliver the most extraordinary personal attack on Mr Trimble. When Mr Paisley refused to give way, uproar ensued, with Mr Trimble and his colleagues walking out. They walked out to oblivion: their party, the Vanguard Unionists, split in two and fell apart.

Although Mr Trimble quietly joined the Ulster Unionist Party a few years later, his record told against him. Even though he was obviously one of the party's most articulate and energetic and best-educated members it was not until 1990 that he found a Westminster seat. That done, it took only five years for him to become leader and two more to come to his present dilemma. Once again, he is at the point of choosing between far-reaching negotiation, and aligning his party with the nay-sayers led still by Ian Paisley.

His years in the wilderness must prey on his mind, together with the recognition that Mr Paisley retains the power to savage Unionists who step outside the laager. But he also knows that Unionism looks in need of modernisation, that Tony Blair's peace

train is just about to pull out of the station, and that the outside world will not easily forgive his refusal to take part in this determined bid to end the Troubles.

David Trimble is almost a child of those troubles. Born in Belfast in 1944, he was studying law at Queen's University in the late Sixties when some of his fellow students took to the streets as part of the civil rights movement. He took no leading part in events and, having taken a first-class law degree, stayed on at Queen's as a lecturer.

His first foray into politics came in the early Seventies when he joined Vanguard, an unusual entity that was part political party and part attempt to draw some of the splintered shards of loyalism under one umbrella. The irony is that Vanguard's *raison d'être* was its belief that the Ulster Unionist Party (which Mr Trimble now leads) was too soft.

Its leader was Bill Craig, a controversial figure who in 1968 had been sacked from his Stormont cabinet post by the reforming Unionist prime minister Terence O'Neill. He seemed to stand for unyielding opposition to the civil rights movement and for a readiness to challenge the British government's authority over Northern Ireland.



A deeper shade of Orange: under Mr Trimble's leadership, the Ulster Unionists have moved closer to the Orange Order. Photograph: Alan Lewis

Freed from the responsibilities of office, Craig flirted with some loyalist paramilitary organisations including the Ulster Defence Association, which was later declared illegal. Advocating a semi-independent Northern Ireland, he alarmed the authorities in 1972 by staging a series of Oswald Mostey-style “monster rallies”, arriving complete with motorcycle outriders to inspect thousands of men drawn up in military-style formation.

What Craig said at the rallies and elsewhere was even more alarming. In a series of what became known as the “shoot-to-kill” speeches, he openly threatened the use of force. He declared: “We must build up dossiers on those men and women in this country who are a menace to this country because one of these days, if and when the politicians fail us, it may be our job to liquidate the enemy.” Addressing a meeting of the Monday Club, he added: “When we say force we mean force. We will only assassinate our enemies as a last, desperate resort when we are denied our democratic rights.” Asked if he meant the killing of all Catholics, he replied: “It might not go so far as that but it could go as far as killing.”

There were calls for Craig's prosecution: some argued he was giving voice to legitimate Protestant anger while others complained he was fanning the flames of violence. Whether the shoot-to-kill speeches were cause or effect, almost 500 people died that year, the worst death toll of the troubles, as loyalist violence augmented that of the IRA.

While some grainy black-and-white television footage survives showing Mr Trimble perched on the corner of Vanguard platforms, he was in those days a figure too minor to attract attention. And while his leader was making such hair-raising remarks, the newspapers of the time carry no trace of Mr Trimble personally endorsing them. His own contributions of the time tend more to the pedantic than the inflammatory.

Two years later he supported the 1974 loyalist strike during which Protestants, including paramilitaries, took over the streets of Northern Ireland in a direct and successful challenge to the power-sharing experiment of the time, and indeed to the overall authority of London.

Emerging from such a background, it was all the more surprising that Craig, with Mr Trimble and others in support,

should propose a scheme such as voluntary coalition, which was pretty obviously power-sharing under another name. One of the mysterious little paradoxes of the history of the Troubles, it was the beginning of the end of Craig's career and a severe setback for that of Mr Trimble.

Re-entering the Unionist Party, his career was comparatively quiet until the Anglo-Irish agreement of 1985. All Unionists hated the London-Dublin accord but Mr Trimble, apparently feeling that his party's opposition did not go far enough, became involved in a new organisation, the Ulster Clubs.

The clubs organised street protests and rallies during the tense period of 1985-86, and produced some nice historical ironies. The clubs picketed the office of the Unionist MP John Taylor, who is now Mr Trimble's deputy; they were also scathingly denounced by Ken Maginnis MP, now one of his leadership team.

The Ulster Clubs leader, Alan Wright, employed Craig-like rhetoric: “Faced with treachery as we are today, I cannot see anything other than the Ulster people on the streets prepared to use legitimate force.” Mr Trimble said at that time that he had no

objection in principle to “mobilisation and citizens' army calls”, adding: “I would personally draw the line at terrorism and serious violence. But if we are talking about a campaign that involves demonstrations and so on, then a certain element of violence may be inescapable.”

While some may point to this as evidence of irresponsibility, it clearly falls far short of any advocacy of violence. The point must also be made that a trawl through the utterances of a great many Unionist politicians would produce a great many more examples of statements that verge on the dubious which they made at times of crisis and high tension.

But the Irish, north and south, have elephantine political recall, and the Trimble record is there. One veteran observer explained: “People have long memories – they remember Vanguard and the Ulster Clubs and all that, and then they hear him going on about IRA decommissioning and relying on democratic methods alone.”

When Harold McCusker died of cancer in 1990, David Trimble was not first choice for the safe seat, but following his election his energy and articulacy made him stand out in a party with notorious commu-

nication deficiencies. Even so, he was very much an outsider in the 1995 leadership contest caused by the resignation of James Molyneux, who was considered by many in the party to have placed too much trust in John Major.

Most believe it was the Drumree factor that won Mr Trimble the prize, the party opting for the man whose uncompromising stand had helped to get the 1995 Orange march through in the teeth of police and governmental opposition. Since then his party's identification with Orangeism has deepened, as so much attention has remained on the marching issue.

The hectic political scene has meant spending less time with Daphne, his second wife, and their three small children in their modest suburban home not far from Belfast. A former student of his, Daphne describes herself as “the domestic back-up”. For recreation he listens to Wagner, Verdi and Strauss.

But the grand sweeps of opera have yet to give him the inspiration to provide the new vision that, Unionists admit, their cause so desperately lacks. Mr Trimble proved effective enough at dealing on a tactical day-to-day basis with a weak Conservative government, but is now being put to the test by a strong Labour administration.

While his career illustrates that he comes from the far right of Unionism, the voluntary coalition episode shows that on at least one occasion he was prepared to contemplate a radical new departure. The last time David Trimble did that he was vanquished by Ian Paisley; this time his choice is between taking on Mr Paisley and taking on Tony Blair. It may be the most critical decision of his entire career, past and future.

£100,000 OF LIFE INSURANCE FROM £8.73 A MONTH*

It only costs a little to leave them a lot

A Zurich Municipal Term Assurance Policy can provide £100,000 for your family if you die. And if you work in the public sector, you get a 15% discount. What's more, you could pay a temporary premium of just £8.73 a month – a phone call can secure immediate cover.

Call us now to find out more. One day, your family will be very glad you did.

LIFE INSURANCE
0800 147 147

Open: 9am-5pm Mon-Fri, 9am-1pm Sat
For your security, all telephone calls on this number will be recorded and randomly monitored.
PLEASE QUOTE REF: LIN2207

ZURICH MUNICIPAL
Forseeing on the Public Sector

*Premium of £8.73 includes public sector discount. Example given is a 10-year level term assurance policy for a married, non-smoking, 30-year-old female local government clerical officer. The premium quoted may be varied according to individual circumstances and is subject to acceptance at ordinary rates. Premiums are dependent on a number of factors and in particular are higher for males, smokers and older ages.

Zurich Municipal is a trading name of Zurich Life Assurance Company Limited, which is regulated by the Financial Services Authority, for life assurance and investment business and is a member of the Association of British Insurers. Zurich Municipal markets the life products of Zurich Life only and does not provide financial advice.

Zurich Life Assurance Company Ltd is registered in England, No. 676139. Registered Office: Zurich House, Sunning Road, Portsmouth, Hampshire PO1 1DU.

Offer also applies to spouses

- Civil Servants
- Town Hall Employees
- Teachers
- Lecturers
- Post Office Staff
- NHS Staff
- Police
- Nurses
- Fire Service
- Prison Officers
- Ambulance Service

New York, city of dinosaurs and dilemmas

A couple of months ago I was at the Bath and West Show at Shepton Mallet, which is a sort of get-together for those who are too old to go to the Glastonbury Festival, and I was approached by a nice man called Barry Lane.

“You don't know me,” he said, which was true enough, “but my son Anthony used to read your writings avidly.”

“That's nice,” I said. “What does he do instead, now that he's grown up?”

“He works for *The New Yorker* as a critic.”

New Yorker staff writer? That's a hell of a promotion from being a Miles Kingston reader. One of Tina Brown's protégés, eh? Not bad going. “I'm going to New York myself in a couple of months,” I said, probably trying to impress him. It sounded as if I were going on an assignment. Actually, it was just en route to see in-laws in Toronto.

“You should look Anthony up,” said his dotting father. “I'm sure he'd be glad to meet you.”

At the time it seemed a good suggestion, and I made a mental note to drop Anthony Lane a line, and

now I am going to leave for New York in two days' time and I still haven't dropped him a line, so it doesn't look as if I'll be bumping into Barry Lane's little boy this time round, but isn't that the way it always goes? You know you're going on a trip. So you mentally collect all your contacts. And the day before you go you realise you haven't followed up any of them. I haven't yet contacted the American/Japanese actress I made friends with in Edinburgh last year. I haven't rung the American cartoonists I used to know. Indeed, I even used to know Harold Evans and Tina Brown a bit in the old *Punch* days before they met Tony Blair – or, indeed, before they met each other – but I haven't got in touch with them either.

Nor do I suppose that I will regret it. My chief duty in our few days in New York will be to show my nine-year-old son a bit of the big city. I don't think a nine-year-old would thank me for spending part of his precious time in New York paying social calls on Harold Evans or Tina Brown, when we could be doing something interesting.



Miles Kingston

But what? The sensible answer, of course, is just to go out and walk and look. You don't really have to do anything in New York. You just have to be there. Simply looking at the place is entertainment enough, without going to a theatre or movie. In fact, New York is a movie. New York is exactly like those movies that Hollywood makes nowadays and which my son loves, even if the critics don't: all those horror movies with hardly any script and not much in the way of character, just wonderful special effects.

New York is *Jurassic Park* with skyscrapers instead of dinosaurs – a marvellous theme park on an island in the Hudson river, on which monsters cloned from the future have been trapped for our delight. And just as Spielberg likes to lighten the terror by introducing baby dinosaurs into his scenario, so the huge skyscrapers of Manhattan are given relief by sweet little houses nestling between the monsters ...

Yes, but what shall we do when we have done that? It's a few years since I was in New York and I'm not sure how much has changed. I'd quite like to go back to the wonderful Oyster Bar in Grand Central Station, but my wife doesn't like oysters (“Don't they serve anything else?”) and my son doesn't like railways that much (“It was bad enough being taken to see the editor of *The New Yorker*, but now you want to take us to a station?”) and anyway, I read in the *Herald Tribune* that the Oyster Bar had been gutted by fire ...

So I have been consulting people I know, and I have discovered that the range of advice is as confusing as the Manhattan skyline.

“Climb up the Statue of Liberty from the inside,” counsels one.

“Whatever you do,” says another, “don't climb the Statue of Liberty. Waste of time. You get no idea of its majesty. To get that, you have to get the Staten Island ferry and back.”

“Get the Staten Island ferry,” says another, “but don't come straight back. Get out and have a look round Staten Island. It's perfect suburbia.”

“I'll tell you the name of the best hot dog stall in New York,” says my grown-up son, Tom. “No, hold on. I've forgotten it. But I can tell you the name of the best Chinese place to eat. It's Wong on Mott Street.”

“Go to a jazz club,” says a jazz friend.

“Take him to a baseball game,” says a sports friend. “Eat at the Union Square Café,” says a chef friend.

“Go to the Cathedral of St John the Divine,” says an architect I meet on a train.

Yes, New York is very confusing, and I haven't even left home yet.

Miles Kingston is almost on holiday.

Labour goes boldly where the Tories feared to tread

To realise just how big a decision tomorrow's response to the Dearing report on higher education represents – easily the biggest, surely – the Blair government has taken on domestic policy – it is worth travelling back for a moment to 1984. Sir Keith Joseph made a terrible error, or rather two errors. That is to say that he acted in a way that was logical and truthful, and was mercilessly punished for it. First, faced with an urgent demand from the vice chancellors for more science funding, he tried to make middle class parents pay a contribution to university tuition fees; then, seeking to explain himself to an outraged Tory backbench education committee he spectacularly compounded his troubles by murmuring in passing that the way ahead for higher education funding lay in at least partial loans for students. As Nigel Lawson would later point out, Joseph had attacked not the poor or the rich but those in the middle who incidentally comprised the bulk of the [Conservative] party activists in the constituencies and in particular the local party officers. The uproar was deafening; the retreat total and abrupt. And the idea of tuition fees became taboo for the 13 years it has since taken for Sir Keith's Cassandra-like prophecy to come true.



Donald Macintyre

Free university tuition for the middle and upper classes is finished – a great scam is finally dead

For the party is now over. Under the new system of higher education funding David Blunkett will unveil tomorrow, all university students except those from families earning £16,000 or less will be charged fees. Those from families earning £34,000 or more will be charged a full £1,000 a year or so. Those in between will be charged on a sliding scale between zero and £1,000 per year. To cover the fees the students will be able to take out a loan, repayable at a rate and over a period – of up to 20 years – dependent on what they earn. This is as fundamental as anything Sir Keith Joseph envisaged even in his wildest dreams. True, averagely well-off parents – who currently expect to pay around £2,000 per year in maintenance for each child at university – will not themselves have to pay any more as a result of the reform. Unlike Sir Keith, Labour has nearly transferred the burden to their children, who will – slowly – pay the cost of their fees as they start earning money. But that does not alter the bare facts. Free university tuition for the middle and upper classes is finished. A great scam is dead, and about time too.

The present system of university funding is a mess. While university participation has gone from one in 20 in the Sixties to one in three now, funding is based on a rickety mix of diminishing maintenance grants (for the poorest), loans and parental payments. And if you doubt that fees and what amounts to a graduate tax are the way to guarantee stable revenue for higher education, consider this: as Margaret Hodge, the chairman of the new Commons Select Committee on Education,

already pay their own fees). The revenue from fees should not be siphoned off into roads or defence; but it should not, as the vice chancellors will surely want, be kept solely for the 125 universities either. Moreover, a government rightly against elite universities charging top-up fees is not for long going to tolerate making premium state payments – over and above normal grant – to rich Oxbridge colleges. What I know of Dr Kim Howells, the junior education minister entrusted with reviewing Oxbridge funding, does not suggest he will leave this anomaly intact.

And as the new system will – in characteristic Blairite fashion – entail new responsibilities, as well as rights, for graduates, so it should mean new responsibilities for universities too. Dearing, by all accounts, will have some harsh things to say about dons who do not regard good teaching as among their prime duties. Now the consumers are to pay for higher education, they are entitled to some quality control. Could it be time for Ofu, a new regulator of academic teaching quality?

We should tolerate fees for higher education and not for state secondary education, because the latter is compulsory and the former is not. And the Tories should think twice before rushing into an opportunistic crusade on behalf of the middle classes and the well off. Shrinking from making a decision before the election, they set up Sir Ron Dearing's enquiry in the first place; and these are essentially Dearing's proposals. And if that does not shame them they should remember that Sir Keith Joseph was there first.

The money-maker leaves no memorial

by Andreas Whittam Smith



Goldsmith was born for business, but his skills were unsuited to politics. There is nothing to remember him by – except a large pile of cash

Sir James Goldsmith was a gifted businessman and an able financier. Not often are the two talents found in the same person. And he had a third quality, which the obituaries have described as a gambler's instinct.

This last aspect needs careful definition. Goldsmith was a gambler in the sense that a motor racing driver is one. But like Michael Schumacher, he learnt to analyse the corners first and then take them faster – and brake later – than his rivals. This is different from a casino mentality. His chief of staff over many years, Gilberte Beaux, said: "People say he has to be a gambler because it is something they do not understand, and therefore something bad ... no one is prepared to admit that we may have worked a little harder and thought a little more ... before Jimmy takes a risk he looks at it more than anyone can imagine."

If you examine Goldsmith's early years, you find that he started by trying to build up a business in the distribution of pharmaceutical products in France. He acquired the rights, for instance, for Alka Seltzer. Of course, he was under-capitalised and expanded too quickly, resulting in over-trading and near bankruptcy. But he soon started up in the UK, marketing versions of a new drug for the treatment of rheumatoid arthritis, cortisone. Goldsmith had entered an industry of immense potential, in which he was to retain an interest for many years. At the same period, he was also involved in the foundation of the Mothercare chain of baby clothes retailers; unfortunately he had to relinquish his stake at an early stage for want of capital. None the less, these examples show how good Goldsmith was at evaluating business prospects.

In the second stage of his career, during the Sixties and Seventies, Goldsmith demonstrated his skills as a brilliant financier. That he concentrated first on buying and selling companies engaged in food manufacturing and then on food retailing was in a way incidental, except that such industries at least have the virtue of being stable. His stock-market manoeuvres could have taken place in any industrial sector. He understood and was able to take advantage of three financial concepts: momentum, valuation and leverage.

Momentum in stock-market terms means following up one good deal with another. Pro-

vided your first transaction looks favourable, then your company's share price will rise. You then use your more highly priced shares as, so to speak, the currency with which you make a second acquisition. If the second deal also appears favourable, your company's shares will rise again. You keep on repeating the process. As Goldsmith told the City after he had acquired Bovril, "We must get on with another acquisition. This bull market is not going to last for ever. We must be quick."

Understanding valuation means understanding that the same asset, say, an empty factory or office block, will command different prices depending upon how it is presented. If the factory or offices feature as surplus to requirements in, say, the balance sheet of a food manufacturing business, they will be less highly valued than if they formed part of a property company's portfolio of buildings ripe for development. Goldsmith was an expert in asset-stripping. He would pay more for a company than conventional wisdom thought it was worth because he under-

stood how to exploit anomalies in the valuation of assets.

Leverage as practised by Goldsmith was a way of maintaining control. The problem with financing a series of takeovers by issuing shares was that Goldsmith's personal holding began to represent a smaller and smaller proportion of the total capital. He solved this problem by stringing companies together: company A would own 40 per cent of company B, which in turn would own 40 per cent of company C, and so on. By controlling the first company, he controlled the last.

For their full effect, asset-stripping and leverage depended upon nobody reading the small print of take-over documents, or, if they did so, upon shareholders not making head or tail of what was going on. This is why Goldsmith came into conflict with the financial press.

He was thwarted by the City pages of the national press and by specialist magazines. They showed how Goldsmith was able to exert control over companies without having fully paid for it. My colleague at the *Investors Chronicle* of the time, the late Barbara Conway, led the way. Goldsmith retaliated with libel writs. He really detested us. Alongside the exceptional charm, which could make his presence exhilarating, he was capable of evincing pure hatred. But I hadn't realised until reading Nicholas Faith's obituary in yesterday's *Independent* that Goldsmith had said of Barbara when she was dying, very young, of cancer: "I hope she chokes on her own vomit."

The rest of Goldsmith's business career is better known. He moved to the United States and applied his stock-market skills on a grand scale, eventually extracting millions of dollars from Goodyear Tyres in return for dropping his take-over plans. He was thus an early exponent of what the Americans call "greenmail". But twice he pulled off the most difficult feat that a financier can attempt – sell at the top. In the UK in 1973, he got rid of most of the property assets he owned just before the worst slump in commercial property since the war. And in the US, he disposed of his Wall Street stocks a few weeks before the crash of October 1987.

In politics, to which he turned in the last stage of his life, Goldsmith's skills were unsuitable. Although British political parties need money, it doesn't purchase votes. The medium of exchange is something different: it is attendance to a constituency over many years; it is shared work with your colleagues; it is embracing a multitude of issues rather than a single topic.

Goldsmith could have lived a further 20 years and devoted every waking minute of them and every pound of his fortune to building his own political party, but he would never have succeeded. He was born for business and finance, and did as well as anyone could. But he leaves nothing by which he will be remembered – except for a rather large pile of cash.

Why not let the jury decide?

Police are rarely prosecuted after deaths in custody, says Patricia Wynn Davies

Tomorrow, two horrible deaths in police custody and what a judge has described as torture by officers will come back to haunt Barbara Mills, the Director of Public Prosecutions, in an unprecedented High Court challenge. It will be the first time that judicial review has been used to challenge decisions by the Crown Prosecution Service not to prosecute police officers whose use of force has resulted in death or serious injury.

The three linked cases raise wider questions. Why is it that police officers whose behaviour has led to findings of unlawful killing so rarely face criminal charges, or even disciplinary proceedings?

Does anybody much care? Only, it seems, the victims and their families and a small but dedicated group of professionals. Cases involving deaths in custody show that without the resolve of victims' relatives, and without the help and dedication of the voluntary group Inquest, distressing cases would barely be noticed.

In the two death in custody cases coming before the court tomorrow, inquest juries have already decided unanimously on the criminal standard of proof (beyond reasonable doubt) that the excessive force used by officers meant that their charges had been unlawfully killed. The victims' families want to see the officers charged with manslaughter.

In the case of 34-year-old, Nigerian-born Shiji Lapite, pathologists' reports revealed that he had suffered 36 to 45 separate injuries at the hands of two officers from London's Stoke Newington police station in December 1994. The force of a neck-hold was sufficient to fracture the bones in the larynx and suffocate Mr Lapite until he died. One officer also admitted kicking him in the head, and another to biting him.

At the inquest, one of the officers, PC Paul Wright, admitted applying the neck-hold; the other, PC Andrew McCalm, admitted kicking Mr Lapite twice on the head, as hard as he could. Their justification was that Mr Lapite, who the post-mortem revealed had taken alcohol and cocaine, had tried to strangle PC Wright.

But the coroner repeatedly pointed out the gross disparity between the numerous injuries found on Mr Lapite and the vir-

tual absence of injury to the officers. Dr David Rouse, the Home Office pathologist acting for the coroner, said the absence of any marks around the neck of PC Wright threw "every serious doubt" on their allegation that Mr Lapite was attempting to strangle the officer.

There is a further question mark over the action taken in the aftermath of the death. Tomorrow's case will also include a separate challenge to the Police Complaints Authority's unaccountable decision not to recommend that the Metropolitan Police take disciplinary proceedings.

The decision to rule out disciplinary charges was taken "after reviewing all the evidence and taking counsel's advice", although Molly Meacher, the supervising authority member, renewed an earlier call on the Met to ensure that officers understood the risks of neck-holds. The decision was first communicated at an awkward meeting between Mrs Meacher and Olamide Jones, Mr Lapite's widow, and her solicitor. The decision letter handed to Mrs Jones made plain Mrs Meacher's "considerable concerns" about the incident, which she had taken up with the Metropolitan Police. But asked to explain the PCA's attitude to the evidence of Dr Rouse, she replied that this simply threw doubt on the actuality of events described by the officer, but not on their beliefs or state of mind.

The inquest jury had taken a different view of the seriousness of the incident, and the Lapite family want to know why a Crown Court jury has, in turn, been prevented from making up their own minds.

In the second case, Irish-born Richard O'Brien, a 37-year-old market trader and father of seven, was found to have 31 separate areas of injury on his body. After a disturbance at a dance at a south London hall in April 1994, he was arrested for being drunk and disorderly. Officers placed the 19-stone Irishman face down on the ground with his hands handcuffed behind his back and his legs folded back against his thighs. An officer knelt on his legs and two others held him down. He died of postural asphyxia, the risks of which, like neck-holds, have been the subject of previous warnings to the police.

Mr O'Brien's wife Alison testified to the inquest that she heard her husband say, "I can't breathe, let me up, let me up, you win"; an officer kneeling on his upper back had replied, "We ain't winning."

Here, the Metropolitan Police agreed with the PCA that two officers should be charged with the disciplinary offence of neglect of duty. In the eyes of the O'Brien family, that is not enough. They, too, want a Crown Court jury to decide whether the actions of the officers amounted to manslaughter.

The coroner told the jury that to bring in a verdict of unlawful killing, they would have to be sure that the evidence pointed to manslaughter. That meant a finding of (a) "unlawful act" manslaughter; (b) manslaughter through the use of excessive force; or (c) manslaughter through gross negligence.

Manslaughter prosecutions are not unknown in other areas of public service, such as coach drivers who cause death through "gross negligence". Such prosecutions generally have the weight of public opinion behind them.

The third case coming before the High Court has likewise already been the subject of a definitive legal ruling in a civil court, but the CPS has declined to prosecute officers for assault and battery. Derek Treadaway was convicted for robbery on the basis of a signed "confession" extracted by the now-disbanded West Midlands Serious Crime Squad. In a High Court ruling in 1994, Mr Justice McKinnon awarded him £50,000 in damages after finding "on a high degree of probability" that officers had obtained the confession by suffocating him to the point of unconsciousness by putting plastic bags over his head.

Mr Treadaway's previous convictions were irrelevant, the judge said, to the award and still less to the right not to be subjected to what amounted to "nothing less than torture". The plaintiff, with all his faults, had been placed in a situation where he was entitled to expect that he would be given the protection of the law. He continued, "The police officers concerned had shown contempt for the plaintiff and thus for the rule of law." Quite so.

Cosby's pater patter on trial

At the federal courthouse in New York City, Bill Cosby is, for the second time this year, defining his role as an American father – not *The Cosby Show's* liberal yet authoritarian dad, whose weekly assignments consisted of overcoming his merry pubescent brood and finding new multi-hued designer sweaters. This is Cosby's real family, and he is battling with Autumn Jackson, 22, who claims to be his illegitimate daughter. The trial occurs only seven months after Cosby's only son, Ennis, was shot to death on a Los Angeles freeway while changing a tyre.

Jackson is on trial over her intentions. Is she guilty of trying to extort money from Cosby, by saying that she would sell her story of his paternity if he didn't hand over \$40m? Or perhaps she is simply a poor young woman who was unable to attain the affections of her estranged billionaire father.

Cosby is also on trial, struggling to retain his mantle as a benign, unassailable paterfamilias. In nine years of *The Cosby Show* episodes and in the best-selling book *Fatherhood*, Cosby built and burnished his public status as an ideal father; and he also satisfied his fans' fantasies by seeming to sustain this role in his "real life" as well. This reassuring and stately public father figure is now testifying against the woman who may be his daughter and refusing to take a DNA test.

In an unaired segment of footage from an interview with Dan Rather, he admitted to having had a surreptitious affair with Jackson's mother, Shawn Thompson, and allowed for the possibility that he was Jackson's father. He has also provided Thompson and Jackson with trust funds and cars.

As one of a handful of African-Americans in the entertainment business who have both immense industry clout and immense audience popularity, Cosby is a figure whose every action would anyway be charged with symbolic value. He is simultaneously a keeper of the status quo and proselytiser of African-American pride. He represents not only the perfect father, but the ultimate African-American celebrity.

Who can blame Jackson for wanting to publicise her association with celebrity nobility?

In addition, Autumn Jackson, like many American children, probably yearned for the predictability, the urbanity and the sunny coherence of the Huxtables. She most likely wanted to be part of the perfect television family, where problems could be solved in 22 minutes and there were no gnawing absences.

It makes one wonder whether the sitcom's cheery affirmations of family life served to shame viewers about their own lives, more than inspiring them.

Alissa Quart

VICTORY!

NOW ON VIDEO

TONY BLAIR
THE ROAD TO VICTORY

The Inside Story of Blair's Campaign

TONY BLAIR *The Road to Victory* is a remarkable video record of Tony Blair's career and Labour's historic election win.

As a companion to *Victory*, the top-selling hardback record of the campaign trail, the video covers Blair's background, beliefs and his vision for Britain. Re-live the excitement of one of the greatest nights in British politics.

The video costs £11.99 including post and packing. But if you order the video and book together you can save over £2. The price for this ultimate record of Election '97 is just £19.95.

VICTORY VIDEO OFFER ORDER FORM

Complete this coupon and send to: Victory Video/Rock (CIS), PO Box 520, Basingstoke, Hants RG24 0BE

NAME _____

ADDRESS _____

POSTCODE _____

TITLE		PRICE	QUANTITY	TOTAL
Victory hardback book		£9.99		£
Victory video		£11.99		£
Victory book and video		£19.95		£
			TOTAL	£

I enclose a cheque/posted order made payable to: Bankmark Projects Ltd.

OR debit my Mastercard/Visa number _____

Expiry date _____ Signature _____

business & city

Business news desk: tel 0171-298 2636 fax 0171-298 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

FINANCIAL JOURNAL
OF THE YEAR

United Utilities shocks City by ousting Staples

Michael Harrison

Shares in United Utilities, the electricity and water supplier for the North West, plunged almost 10 per cent yesterday after the group stunned the stock market by ousting its chief executive, Brian Staples, blaming a "loss of confidence in him by the board".

The shock announcement prompted a 70p fall in United Utilities' share price to 699p - wiping £370m off the its market capitalisation - and left analysts and investors scrambling to re-assess the group's multi-utility strategy.

The departure of Mr Staples, who was on a two-year contract and may be eligible for a pay-off of about £500,000 - tightens the hold on the company of its executive chairman, Sir Desmond Pitcher.

But the turn of events dismayed a number of institutional investors. One large shareholder said: "It was never clear why United Utilities needed an executive chairman and a chief executive so it was clear that one of them was likely to go. But it is highly debatable whether Sir Desmond emerging as the survivor will add anything to shareholder value. He has an image problem and nor is the rest of the board very impressive."

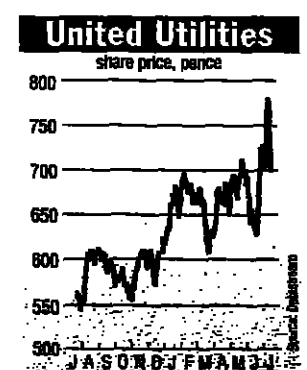
"On the narrow matter of Staples versus Pitcher I would have said the score would be Staples one, Pitcher nil."

According to the company, the six non-executives on the board met Sir Desmond on 24 June and told him that it was their unanimous belief that Mr

Staples should go because they had lost confidence in him.

Sir Desmond sought the advice of the group's advisers, Dresner Kleinwort Benson, its corporate brokers NatWest Markets and its lawyers Slaughter and May before agreeing that Mr Staples had to go.

He was told of the board's decision after arriving for work yesterday morning and left the group's premises almost immediately. Mr Staples had been with United Utilities for three



years, joining it from Tarmac Construction where he was managing director. He led the takeover by North West Water of Norweb which created United Utilities.

Among the criticisms levelled at Mr Staples were his alleged failure to communicate with the board, particularly in respect of the size of provisions needed to cover losses on a sewage contract in Bangkok. Mr Staples is also said to have fallen out with the remuneration committee.

The picture of events emerg-

ing from the Staples camp is flatly contradictory. It is said that Mr Staples too came to the conclusion that it was not tenable to have both an executive chairman and a chief executive and that if United Utilities was to restore its rating in the City and win greater shareholder support, then Sir Desmond would have to stand down from executive duties.

However, before he was able to marshal support for this plan of action, Sir Desmond moved against Mr Staples in what came down to a straightforward boardroom tussle with Sir Desmond able to count on his supporters among the non-executives.

The non-executives include Eric Clark, who sits with Sir Desmond on the board of the Merseyside Development Corporation and, like Sir Desmond, is a former managing director of Plessey Telecommunications and Office Systems in Liverpool, and Frank Sanderson, 69, chairman of Acumen Technologies and chairman of United Utilities remuneration committee.

The other non-executives are Sir Peter Middleton, chairman of BZW, Alan Pendleton, who has served on the board since 1987, Dr Rodney Leach, former chief executive of the Trident submarine builder VSEL, and John Seed, the former chief executive of South Western Electricity.

Sir Desmond, 61, joined the board in 1990 and became chairman in 1993 having previously been chief executive of another North West business institution, The Littlewoods Organisation.



In happier mood: Sir Desmond Pitcher (left) and Brian Staples after the acquisition of North West Water

There was no hint that Mr Staples' position was in jeopardy when the group reported its 1996-97 results at the end of May. Profit before tax and exceptional charges came in slightly below analysts fore-

casts at £444m. But the group said that "excellent progress" had been made integrating North West Water and Norweb, and was confident of meeting its target of achieving savings of £474m by March 2000.

United Utilities also said that the disposal programme launched after the Norweb takeover had substantially beaten targets, having raised £460m against a forecast of £350m.

In yesterday's announcement of Mr Staples' departure, the board said that it remained confident in the group's strategy although current trading was slightly below market expectations.

Comment, page 17

Arnault resigns from Guinness board

Nigel Cope
City Correspondent

Bernard Arnault, the combative chairman of LVMH, the French luxury goods group, turned up the heat on the Guinness-Grand Metropolitan merger yesterday when he resigned from the Guinness board to allow him more time on "promoting his alternative proposal".

Mr Arnault's advisers, BZW, said he had decided to quit "in the face of the opposition of the board of Guinness". The statement repeated Mr Arnault's belief that his own plan to develop a three-way merger of the wines and spirits businesses of Guinness, GrandMet and LVMH, plus a de-merger of the other businesses, offered shareholders "significantly greater value".

An LVMH spokesman said: "Mr Arnault was disappointed with the speed with which his proposals of last week were rejected."

Guinness said: "We can confirm that we have received Mr Arnault's resignation.... Clearly this was not a surprise since he has recently adopted a different view to the rest of the board on the future strategy of the company."

Mr Arnault has not attended any of the monthly Guinness board meetings since the £23bn merger with GrandMet was announced in April. He will step down immediately and so not attend the next scheduled meeting later this week.

It is hoped that Mr Arnault had hoped his position on the Guinness board might make it easier to promote his alternative proposals. However, the rapid response to his 18 page memo last week convinced him that there was no point in continuing.

Guinness said that it was in the process of examining Mr Arnault's document and that a reply would be made "in due course".

Mr Arnault has been a Guinness board member since 1989. He still controls a 14.2 per cent stake, making him the drinks group's largest single shareholder. He is also the largest shareholder in GrandMet with a stake of over 6 per cent.

Guinness declined to comment yesterday on whether Mr Arnault's resignation would make him more of a threat to the proposed merger.

Mr Arnault's camp said there had not been a complete breakdown of relations between the two groups. A spokesman for Mr Arnault denied that his resignation was a fit of pique over the response to his proposals, which would have given him a 35 per cent stake in a merged three-way drinks group. "Mr Arnault is not an emotional man."

Guinness shares closed 5p lower at 607.5p. GrandMet shares shed 10p to 606p.

Overheating fuels recession fear

Diane Coyle
Economics Editor

The economy is overheating and the risk of a recession looms next year, a group of experts told MPs yesterday.

Two of the economists invited to give evidence to the Treasury Select Committee, meeting for the first time since the election, pinned the blame firmly on Gordon Brown for failing to tackle booming consumer demand.

Roger Bootle, chief economist at HSBC Markets, and Martin Weale, head of the independent National Institute for Economic and Social Research, criticised the Chancellor for missing the opportunity to cool the economy through raising taxes in his Budget earlier this month. This had put the burden of managing the economy on to interest rates and the pound.

"We should not be surprised if there turn out to be major er-

rors in the Budget judgement," Mr Bootle said.

On the other hand, two other City economists, Gavin Davies of Goldman Sachs, and Bill Martin of UBS, said the Chancellor had been right not to try to fine-tune the economy by raising taxes on consumers in the Budget earlier this month.

They argued that the tough public spending plans meant Mr Brown was already imposing a fiscal squeeze on the economy. "There is here the makings of a public expenditure crisis which could hit the Government at the worst possible moment as the economy moves into recession," Mr Martin warned.

Three of the four experts reluctantly accepted the need for further increases in interest rates to ensure inflation stayed in its target range. But they said the Bank of England's Monetary Policy Committee should move very cautiously.

Mr Weale urged it to avoid

any additional interest rate rises at all rather than drive the pound even higher.

"Enough has been done to slow the economy to just below its trend growth rate," he told the MPs.

For all the differences in their prescriptions, the four economists agreed in their diagnosis of the policy dilemma facing the Bank thanks to the combination of rapid growth in consumer spending and a strong pound.

They also warned that the narrow inflation band of 1.5 to 3.5 per cent set by the Chancellor meant there was a danger of the Bank moving interest rates too often to keep inflation on track.

Mr Davies said: "The chances of making a significant policy mistake - whether overkill or underkill - are higher now than at any other time in the 1990s."

But he hedged there to be a

greater danger of rising inflation than of slipping into recession, and was the only one of the four not to foresee a marked slowdown in the economy next year.

Mr Martin said the price now had to be paid for Kenneth Clarke's failure to lift interest rates earlier, and it was not obvious how to bring down the exchange rate. "Some deflation of the economy is required. It is a question of how you take your medicine," he said.

Mr Bootle, more tentatively, accepted that the scale of the consumer windfall from free building society shares meant there was a case for further action by the Bank.

Mr Weale, the non-City member of the panel, insisted the strong pound meant interest rates had gone far enough. The economy would slow without any further action by the Bank of England, while there was a 25 per cent chance of a full-blown recession next year.

Carpetchaggers in frenzy ahead of Nationwide vote

Nic Cicotti
Personal Finance Editor

Tens of thousands of new building society investors joined the speculative frenzy yesterday as they rushed to open new accounts in a bid to gain free shares if their chosen targets are forced to de-mutualise.

Many of the top 10 building societies said membership applications continued to flood in, despite attempts to staunch the flow by raising investment limits. The dash to open accounts comes ahead of the elections to the Nationwide board, with the results expected tomorrow.

The ballot, in which more than a million members have voted, is being contested by five de-mutualisation campaigners. If they do well, the vote could

also mean the death knell for many smaller societies.

A spokesman for Portman Building Society said: "Since we raised the minimum opening limit from £100 to £1,000 recently, the volume of applications has fallen to 60 per cent of where it was."

A spokeswoman for Birmingham Midshires said new openings were still taking place at a rate of almost 1,000 a day, despite raising its limit to £2,500.

But fresh evidence emerged yesterday of the extent to which Nationwide is prepared to go to win its battle. Ronald Olden, a Nationwide member, yesterday claimed that staff at his branch in Birmingham, not only pressed him to vote against the de-mutualisation but handed him a ballot form with the names of

the official candidates already pencilled in. When he complained, Mr Olden claimed he was told this was the branch's "practice" as 99 per cent of people were voting this way.

He was watched as he filled in his replacement ballot and staff then wrote his account number on the front before the form was placed in a ballot box.

A Nationwide spokesman said official policy was for the ballot form to have the account number placed on it before the vote and an envelope to be given to members to place it in.

If any mistakes were made they were by far the exception. The "handful" of complaints over the election process proved it was being held in an extremely fair manner overall.

Siemens to push ahead with second Tyneside plant

Andrew Yates
Berlin

Siemens, the German engineering and electronics giant, is set to push ahead with plans to expand its computer chip operation in Tyneside, which could bring thousands of new jobs to the area.

Dr Heinrich Von Pierer, Siemens' president and chief executive, said yesterday: "It looks as though computer chip prices are improving and we are considering accelerating our expansion plans in north Tyneside."

Siemens employs around 750 workers at its new £1.1bn computer chip factory near Newcastle, which the Queen opened in May. It will press ahead with plans for a second plant nearby, which could employ another 750 workers, and is considering a third factory.

There have been fears that Siemens would postpone its expansion plans after computer chip prices slumped 85 per cent last year. But their price has stabilised in recent months and Dr Von Pierer believes the market is set for a recovery.

The jobs of nearly 900 employees at Parsons, the troubled steam turbine business Siemens acquired from Rolls-Royce in April for £30m, also look secure.

The Tyneside plant now produces parts for Siemens' German businesses for which orders are flowing in. Siemens may expand the business and take on extra workers. "I was pleased to find very motivated staff at Parsons. We have given Parsons more orders and those have been completed very successfully," Dr Von Pierer said. Siemens confirmed it is in talks

with GEC, the UK electronics and engineering conglomerate, over the future of GPT, their telecoms joint venture.

But Dr Von Pierer appeared to confirm that GEC's 60 per cent stake in the business in return for Siemens-Plessey, the UK defence business, it has already earmarked for disposal, and a large cash sum. "If the acquisition of GEC's stake in GPT is not an issue but we are looking to intensify our involvement in the business and our cooperation with GEC," he said yesterday.

Analysts believe Siemens baulked at GEC's asking price for GPT. However, Dr Von Pierer did confirm that GEC was still in the running to buy Siemens-Plessey, and in turn Siemens could be interested in GEC's semiconductor business which is understood to be up for sale.

The sale of Siemens-Plessey is part of a wide-scale restructuring programme which will see Siemens sell businesses with a combined turnover of DM6bn (£2bn) by the autumn. Its central chair business and lighting operation have also been groomed

for disposal. But Siemens has ruled out selling its medical engineering division, another business GEC was thought to have been eyeing up. "The medical engineering business is an indispensable part of our core operation and is not up for sale," said Dr Von Pierer.

His comment came as Siemens, announced results for the nine months to June which showed a 3 per cent rise in net income to DM1.7bn on turnover of DM7.1bn. Siemens predicted that sales would top DM100bn for the year to September.

Makeover to cost Tesco £4m

Sameena Ahmad

Tesco, Britain's biggest supermarket group, is having a corporate makeover - at least its 120,000 staff are. From September all shopfloor employees will be issued with a new wardrobe - at a cost of around £4m. The new look, designed by Sketchley, the dry cleaners, will offer Tesco staff a greater choice of styles and colours and will feature more natural fabrics like linen and cotton.

A spokesman for Tesco said that Sketchley had spent months canvassing staff about their preferred styles and colours. "We wanted to make our people as comfortable as possible. The end result is a flattering mix and match in a selection of styles," Jane Tutt, who designs for Sketchley said.

"Choice was always a major concern when it came to designing the new uniform." The contract is one of the largest for Sketchley, which also has careerwear contracts with Sainsbury and the Rover Group. The three contracts are worth a total £11m.

The current Tesco work uniform, which until now has been designed in-house, is drab at best - a white dress with red spots for women and grey trousers and white shirt for men. By contrast the new look, which has a navy blue base with coloured checks, offers a bewildering array of styles. Women are offered four blouse patterns, one with a crew neck, a dress, a long or short skirt or trousers and a navy jacket. Women can also opt for a long waistcoat "for ladies who want to cover their fat bits," said a Tesco spokesman. Men can select from three shirt patterns and colours, three tie designs and a navy waistcoat. Section managers get a choice of jackets and different shirts and blouses to general assistants.

Sketchley used linens, cottons and non-iron fabrics rather than polyester. "This uniform looks and feels a damn sight better than the old one," said a Tesco spokesman.

The new range is on trial in four stores - Blackburn Metro, Osterley, Palmers Green and Winchmore Hill Express - but will be rolled out across the group from September. Tesco's revamp is the latest in a line of costly corporate brand makeovers. Barclays Bank recently employed designer Jeff Banks to spruce up its staff at a cost of around £4m and British Airways spent £60m redesigning the tail fins on its planes and its logo.

STOCK MARKETS

FTSE 100

Year	FTSE 100
1970	4900
1972	5000
1974	4950
1976	4920
1978	4850
1980	4800
1982	4750
1984	4700
1986	4650
1988	4600
1990	4720

Dow Jones*

Year	Dow Jones*
1970	8120
1972	9040
1974	8960
1976	8880
1978	8800
1980	8720
1982	8640
1984	8560
1986	8480
1988	8400
1990	7640

Nikkei

Year	Nikkei
1970	27000
1972	30000
1974	29000
1976	28000
1978	27000
1980	26000
1982	25000
1984	24000
1986	23000
1988	22000
1990	19900

FTSE 100: Monthly Index

Indices

Index	Close	Week's chg	Change%	1986 '97 High	1986 '97 Low	Yield%
FTSE 100	4877.20	+17.7	+1.6	4964.20	4056.20	3.34
FTSE 250	4444.10	+75.9	+1.7	4729.40	4386.20	3.70
FTSE 350	2339.50	+31.7	+1.6	2373.70	2017.90	3.41
FTSE SmallCap	2184.62	-8.7	-0.4	2374.20	2171.29	3.22
FTSE All-Share	2384.14	+33.7	+1.5	2316.03	1939.78	3.38
Hang Kong	7890.45	+31.46	+0.4	8033.88	5032.94	1.63
Tokyo	2024.49	+373.8	+1.9	20881.07	17303.85	0.781
Hong Kong	1557.46	+345.1	+2.3	1506.23	1205.17	2.927
Frankfurt	4196.53	+155.8	+3.8	4227.31	2846.77	1.301

Statistics as of 21 July



COMMENT

'Plainly Brian Staples, who was strung up, trussed and dispatched from the chief executive's chair yesterday with a degree of brutality unusual even for the world of high finance, made a profound miscalculation'

The throne looks far from secure for King Des

Give Sir Desmond Pitcher enough rope and he will hang you with it. It wasn't that long ago that Brian Staples used to ponder quite openly whether he ought not to be easing King Des off his throne at United Utilities in order to resurrect the group's battered image among investors.

In the end Mr Staples decided that his executive chairman was a much maligned but misunderstood man and should be given the benefit of the doubt. He might be the unacceptable face of privatisation to much of the outside world, but to the good citizens of the North West he was a Messiah. Who can forget Progress with Responsibility, for instance, Sir Des's attempt to distract attention from his bumper dividend policy with £10 money-off vouchers for water customers.

Plainly Mr Staples, who was strung up, trussed and dispatched from the chief executive's chair yesterday by Sir Des with a degree of brutality unusual even for the world of high finance, made a profound miscalculation. Chief execs often leave companies "to pursue other interests" and "by mutual consent" but rarely do they depart in a blaze of public humiliation "following a loss of confidence by the board".

The two camps were not slow in putting forward diametrically opposing explanations of yesterday's shoot-out. Sir Des's followers say he was prevailed on to remove his chief executive after the non-execs said they could not stand him being around a moment longer. The detailed evidence of his

failures is less compelling however, seeming to consist mainly of last year's bust-up with the remuneration committee and Mr Staples' failure to inform the board quickly enough of the size of the black hole United Utilities had dug under the streets of Bangkok - a contract incidentally signed long before Mr Staples arrived on the scene.

Supporters of Mr Staples say he had finally come around to the view that the business could not move forward with Sir Des in the co-pilot's seat and was about to make his move when he was ousted.

What is indisputable is that no company can have two chief executives. Sooner or later either Sir Des or Mr Staples had to go. Presumably, Kleinwort Benson, the company's advisers and NatWest Markets, its corporate brokers, went along with the decision to kick Mr Staples out. Yesterday's stock market reaction rather suggests they picked the wrong man. One thing is certain. Sir Des's throne is still far from secure. The City doesn't like fiefdoms and if that what King Des is establishing, he'll be punished for it.

More evidence of disarray at NatWest

If two of Germany's largest commercial banks can enter into the spirit of the age - the urge in big business to consolidate - why can't NatWest pull it off too? As Bayerische Vereinsbank and Bayerische Hypothek- und Wechselbank announce

merger proposals to create Germany's second largest bank, NatWest is floundering around amid speculation that takeover talks have again collapsed - the second time this has happened for sure in as many months and the third time if you believe the story that Barclays, too, as well as Abbey National and the Prudential, gave NatWest the once over before deciding the whole thing was too difficult to pursue.

No wonder investors are becoming positively angry about the situation. Is there a for sale sign hanging over the bank after recent traumas to the securities division, or isn't there? And if there isn't and directors are merely pursuing their fiduciary duty to examine all serious proposals, why do these talks keep leaking? All seems to confirm the impression of disarray at the top.

Quite why the latest talks collapsed - with the Pru this time - is at this stage unclear. Some put it down to failure to agree on terms, others to failure to agree on the top jobs. Lord Alexander, it is said, is happy to go along with the merger, having been promised the chairmanship. But Derek Wanless, his chief executive at NatWest, is again, this on the grounds that he would have to make way for Peter Davis as overall chief executive. Whatever the case, there is a tendency in merger talks of this sort for boards to be given a highly impartial and self-interested take on whatever is being proposed. What top executives will do to improve the durability of their positions, power and pay never ceases to amaze, and it will often over

ride the true interests of the organisation.

There is no suggestion that this is what happened here. All the same, merger talks often break down on less. There was a famous case in the 1960s where talks floundered on the positioning of the new chairman's private jet. So perhaps, if Peter Davis is serious about this, he should just go for it and make an open offer for NatWest. There was a time when the Bank of England would not have tolerated a hostile takeover bid for a UK clearer. But these days, with its supervisory powers being stripped away from it in any case, the Old Lady might be rather more relaxed about it all. Certainly Mr Davis could count on support in the City.

One thing that will hold him back, however, is the possibility of an auction. With consolidation of the European banking industry once more on the agenda, he could easily face a rival offer from Barclays, competition concerns notwithstanding. It is also probably only a matter of time before the first big cross-border banking merger is attempted in Europe. Either way NatWest's days as an independent bank are probably numbered.

Still a family affair at Littlewoods

Oh to be a fly on the wall at today's secret meeting between James Ross, the Littlewoods chairman, and the Moores family shareholders which own the entire empire. Officially it is just a routine get-together at

which the disparate members of the Moores clan chow the fat on how the business is doing. But this one promises to be different. First, it coincides with the publication of Littlewoods' annual results which are expected to be none too clever. Second, Mr Ross appears to have some explaining to do as to why he chose to ignore a £540m offer for the entire high street stores business and flog the best bits to M&S instead.

As usual with this company, nothing is quite what it seems. The highly critical "note to shareholders" issued to family members last week, was said to have come from a group of disgruntled shareholders miffed at being kept in the dark about this rival offer. The group's representatives claim that a "growing number of larger shareholders are increasingly agitated about this issue".

Unfortunately, we are not told who they are. Littlewoods doubts that it came from the family at all, suspecting instead that it came from the spurned rival consortium. In fact, says Littlewoods, the £540m offer was really only worth £440m after hefty provisions and payments for an equity stake were taken into account.

Mr Ross may or may not have the family on-side but the shenanigans of the past few days illustrate the awkward position he finds himself in. In a normal company, the board has the mandate to run the business. At Littlewoods, the chief executive is regarded more as a gamekeeper, looking after the family estate. His right to manage as he sees fit is always always open to challenge.

Shake-out starts in Germany as Bavarian banks merge

Inna Karacs Bonn

Two Bavarian banks announced plans to merge yesterday, creating Germany's second biggest bank and Europe's largest mortgage provider. The fusion of Vereinsbank and Hypo-Bank heralds the beginning of the long-awaited shake-out in the German banking sector, regarded by analysts as one of the most inefficient in Europe.

The merger, expected to be approved by Germany's cartel office, will create an institution with combined assets of DM174.2bn (£24.6bn), which is DM140bn behind the market leader, Deutsche Bank. The integration of the two banks will take nearly a year to complete.

In the first step, Vereinsbank will swap shares it holds in the

Allianz, the insurance giant which is a shareholder in both banks, in return for shares in Hypo. This will give Vereinsbank a stake of up to 45 per cent in Hypo-Bank.

In the second stage, the full merger of the two banks will be prepared from October, with plans presented to shareholders for approval by spring 1998 at the latest. Allianz will hold 15 per cent of the new merged bank.

"The way they've done it is exceptionally clever," said a source close to JP Morgan, who brokered the deal. "The merger is strongly earnings-enhancing."

Analysts estimate savings of DM1bn a year as a direct result of the fusion. The new entity, to be called Bayerische Hypo- und Vereinsbank, is expected to shed between 5,000 and 7,000

staff of the current total of 40,000. It will outrank the current number two bank, Dresdner, which employs 46,000 people and has DM561bn worth of assets. Officials declined to predict yesterday how many of the two banks' 1,259 branches, mostly in Bavaria, would be kept.

The merger will help to boost the international presence and visibility of the banks. Vereinsbank has been in the United States for decades, with offices in New York, Chicago, Los Angeles and Miami. Hypo-Bank also has an office in New York.

The German banking market has long been ripe for a big merger, with the "Bavarian solution" presented in yesterday's announcement seen as one of the most likely scenarios for much-needed consoli-

dation in the sector.

Germany is regarded as heavily overbanked, with more than 3,600 commercial, public and co-operative banks battling for market share, and a rate of one branch per 1,100 inhabitants. The top five banks have a joint market share of just 14 per cent and are struggling to make their costly retail branch networks more efficient.

The two banks now coming together have recently been the subject of takeover rumours. Deutsche bought a 5 per cent stake in Vereinsbank a year ago in preparation, it was believed, for a full-scale bid. Deutsche is now expected to intensify its search for suitable

Bank shares in general surged on the Frankfurt bourse when trading opened yesterday. Vereinsbank shares jumped

12.2 per cent to DM92 while Hypo-Bank stock jumped 25 per cent to trade just under the DM75 offer price at DM73.

But analysts' initial reactions were mixed. Commerzbank immediately raised its recommendation on the top five listed German banking stocks to a "buy", while Salomon raised its recommendation on Vereinsbank to "hold" from "buy".

Vereinsbank, partly owned by the Bavarian state, has been one of the star performers of the sector, turning in double-digit growth for several years. In 1996 it recorded a profit of DM1.64bn, and was expected to repeat the feat this year.

Edmund Stoiber, the Prime Minister of Bavaria, welcomed the merger plans, saying they would strengthen the competitiveness of the two banks.

Inland Revenue blamed for most bankrupts

John Willcock

The taxman really is the biggest cause of people going bust, according to an authoritative survey published today.

Furthermore, the most common bankrupt today is a "married, self-employed man in his mid-forties," says the report, adding that "if you are going to lend money, lend it to a woman."

These conclusions come from the sixth annual Personal Insolvency survey by the Society of Practitioners of Insolvency (SPI), which polls more than 1,600 liquidators and receivers throughout the UK.

The survey confirms what the people may have suspected - that tax and VAT debt was the biggest cause of personal insolvency for self-employed people in 1996.

The SPI research also found that individuals facing financial difficulties find it harder to

avoid bankruptcy if their main debt is tax or VAT arrears.

Only about a quarter of self-employed people whose main creditor was the Inland Revenue or Customs & Excise entered debt repayment schemes called Individual Voluntary Arrangements (IVAs), alternatives to bankruptcy which leave debtors in business. Bankrupts, however, are not allowed to remain directors and cannot borrow money without the agreement of their trustees in bankruptcy.

Where other debts were the main reason for difficulties, the survey found a far larger 44 per cent entered IVAs. Brendan Guilfoyle, president of the SPI, is confident that new initiatives should help more self-employed people arrange IVAs in the future.

Mr Guilfoyle said: "SPI, the Inland Revenue and Customs & Excise are working together to ensure that IVA proposals put

to the tax bodies are approved

as often as possible. There has been a feeling in the past that realistic proposals - which should have given everybody involved a better outcome than bankruptcy - have sometimes been rejected on technicalities."

On average, said Mr Guilfoyle, an IVA gives creditors three times the pay back as a bankruptcy. IVAs only made up 17 per cent of all personal insolvencies last year, and the SPI wants to increase that.

The survey also found that men made up 83 per cent of people who were declared bankrupt, or who had to arrange to pay off debts to avoid that fate last year. Two thirds of them were married and nearly 40 per cent were in their forties.

But women were five times less likely than men to go bust, owed 14 per cent less on average, and were more likely to agree a debt repayment scheme.

Lack of appetite for minnows to keep shares looking sweet

The market is no respecter of anniversaries, but exactly 10 years after shares peaked before 1987's October crash the parallels are worrying.

As happened a decade ago, pre-election monetary fudges have turned up the heat under the consumer economy, and shares, despite yesterday's 72-point retreat, are testing uncharted territory.

One measure of the market compiled by BZW compares equity prices with their long-term inflation-adjusted growth trend. According to that historic yardstick, shares are almost 50 per cent overvalued at their current levels. That sort of exuberance has been matched on only two occasions in the last 80 years - on both, the overvaluation heralded damaging bear markets.

New worries to contend with this time include interest rates on an upward trend and a sharp hit to earnings forecasts as a result of the strength of the pound. Thanks to Chancellor Gordon Brown's Budget raid on the nation's pension funds, the value of dividends to the market's biggest shareholders has also been sharply reduced. It is no wonder the Jeremiahs calling the top of the market are gaining support daily.

Look a little more closely, however, and the backdrop to the recent stock market surge is very different from a decade ago. Inflation is low and (outside the London property market) seemingly under control, growth is strong and equity valuations are underpinned by falling bond yields around the world. Champions of the bull market, arguably under way for almost a generation since 1974, believe the rise in shares has not run out of steam yet.

Presumably the biggest difference between 10 years ago and now is the lack of depth to the current bull market. As the chart below shows, most directors of companies outside the FTSE 100 index would laugh at any suggestion that share prices were overvalued. The FTSE 250 and Small Cap indices are back where they started the year - for all but the top flight, it's a case of bull market, what bull market?

Parallels with 1987 have drawn dire warnings, but investors have little to fear. Tom Stevenson reports

The meteoric rise of the FTSE 100 index since the beginning of the year has been driven almost exclusively by the strength of the financials sector, with a supporting role played by the drugs companies. The desperation of institutions to obtain a weighting in the newly converted banks has driven sector valuations to unprecedented levels.

With the financial sector representing almost a quarter of the value of the FTSE 100 index, it is becoming increasingly divorced from the rest of British commerce and an unreliable guide to the strength of the stock market as a whole.

Another reason to remain sanguine about equities is the absence of the froth which characterised 1987. That year, the market was awash with ambitious takeover bids including British & Commonwealth's for Mercantile House and MEPC's for Oldham Estates. The Reichmanns took on the Canary Wharf development in London's Docklands - to cap the madness, a merger of Midland Bank and advertising agency

Saatchi & Saatchi was mooted. Rights issues were also 10-a-penny a decade ago, with Robert Maxwell raising £630m to bid for US publisher Harcourt Brace and keeping the cash anyway after the takeover failed.

The folly of the times reached a peak with the infamous £837m Blue Arrow rights issue for the takeover of Manpower. With the market awash with increasingly dubious paper, the 1987 crash was a disaster waiting to happen.

This year is quite different. Despite temptingly high market valuations, there has been an almost total dearth of the new issues and cash calls which can drain institutional cash at the far-end of a bull run. One explanation, according to BZW, is the distracting effect of the general election and the wave of demutualisations, which have made conditions for traditional issuance less favourable than they might otherwise appear.

But the key factor is the absence of appetite for smaller capitalisation stocks, cyclical and highly rated "growth"

stocks. These are the typical suppliers of new equity and as long as the market continues to favour defensive shares such as the banks and pharmaceutical companies, equity issues are likely to remain a rarity.

Add to that the increasing prevalence of share buy-backs and the number of shares available has fallen recently. Against a backdrop of big investing institutions awash with cash, and a shrinking gilt market, that provides a compelling technical argument for most of the share market to go even higher.

Goldman Sachs agrees with that generally bullish prognosis. It characterises the current stock market backdrop as an "equity sweetspot", which it defines as a combination of rising growth and falling bond yields. The American bank expects rising growth and stable inflation to continue pushing shares higher.

According to Goldman Sachs, equity values are sustainable for two main reasons - lower inflation expectations and rising economic growth. Inflation expectations for the G6 economies have fallen this year, driving bond yields down. Lower inflation also means investors are willing to accept a lower risk premium for holding equities because the quality of companies' earnings improves. Importantly, Goldman Sachs believes there is no clear link between equity sweetspots and the valuation of the market. Once the economic fundamentals are in place, shares are driven higher regardless of valuations.

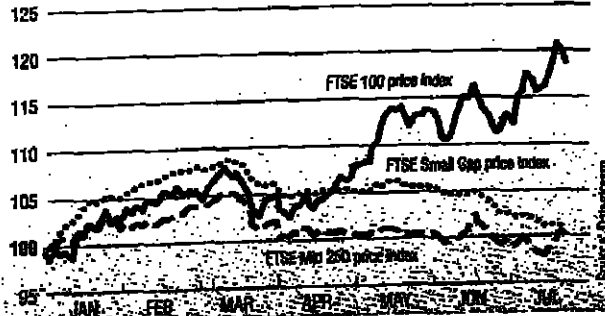
So what does this mean in practice? It is a moot point how much the overall level of the stock market should matter to investors at all. Research shows that jumping in and out of the market is a sure way to miss out.

Look at a chart of the stock market over the past 25 years and the crash of 1987 is a barely noticeable blip.

The most successful stock market investors buy good shares and hold them forever. A correction in the valuation of the market's largest companies looks possible at some point this year, but that is no reason to be out of equities.

Bull market ... what bull market?

Price indices released, January 1 1987=100



Equity - an increasingly scarce resource

Chn	Rights issues	New issues	Placements/other	Tak-overs	Share buybacks	Total
1994	7.2	10.7	5.1	4.5	1.3	17.2
1995	5.4	3.2	8.1	35.2	1.4	19.9
1996	4.8	10.0	6.3	24.2	3.2	48.5
1997E	2.0	5.5	6.0	38.8	4.5	56.8

* Includes mergers (eg Lloyds, TSB, BMS Brands)

Source: ONS, BZW

0800

Now you're not just free to choose. You're free to do better.

Now you can change your freephone operator

without changing your freephone number. You're

free to discover that not all 0800 numbers

are created equal. That AT&T, the people

who carry more FreePhone calls than anyone

else, can offer you a whole range of additional,

value added 0800 services. Find out about an

0800 number that works as hard to grow your

business as you do. Call us now. Later. Whenever.

Now the choice really is yours. 0800 064 8000.

BUSINESS JUST GOT AN EDGE.



business

Ladbroke wagers \$85m on gaming acquisition in US

Cathy Newman

Ladbroke, the betting and hotels group, yesterday announced plans to increase its size in the US gaming market by one-third, through an agreement to buy Colorado Gaming and Entertainment for around \$85m (£51m).

Ladbroke said it would pay \$6.25 a share – a total of \$35m – for the Denver-based company, which owns three limited stakes casinos in Black Hawk and Central City. Ladbroke will also assume \$50m in debt.

A Ladbroke spokesman said the acquisition, not expected to be finalised until late this year or early next, was part of the group's strategy of "building up a portfolio of gaming businesses within jurisdictions which allow gaming".

He added that the two companies had been in discussions for some time, but the deal could not be cleared until licensing arrangements had been agreed with the Colorado authorities. That could take six months. Completion of the acquisition is also dependent on due diligence being carried out.

Although Ladbroke said there would inevitably be some cost savings from integrating the two businesses, especially as Colorado Gaming is a public company, heavy job losses were not anticipated.

Mike Smith, chief executive of Ladbroke's betting and gaming division, said the deal would be earnings-enhancing in the first year.

The strong management team at Colorado Gaming would enhance Ladbroke's ex-

isting US management, Mr Smith added. Steve Szapor, president and chief executive officer of Colorado Gaming, will report to John Long, president and chief executive officer of Ladbroke's US gaming business.

City analysts were impressed with the acquisition. One said: "The deal's not huge in Ladbroke terms but it should further establish their base in the US." Ladbroke already owns racetracks in California, Michigan, Pennsylvania, and gaming operations in California.

The analyst added: "They're hoping to get a 20 per cent (£10m) pre-tax return on the business in the first full year. That's a pretty chunky improvement in profitability."

In the year to the end of December 1996, Colorado Gaming reported earnings before



Peter George: Tidying up the group's hotel portfolio

interest, depreciation and taxation of \$13.4m.

Yesterday's announcement comes just weeks after Peter George, Ladbroke's chief executive, said the group was to sell eight hotels in the UK.

Ladbroke operates 160 Hilton International hotels, but Mr George has been trying to

tidy up the company's hotel portfolio at the same time as growing the casino operations.

Ladbroke's shares – which last night closed down 5.5p at 258.5p – jumped to a five-year high in May when the company said pre-tax profit in the first four months was "significantly ahead" of the previous year.

Logica to modernise Turkish banking

Sameena Ahmad

Turkey has employed the services of Logica, the high-flying UK information technology group, to radically modernise its banking system and boost its chances of membership of the European Union ahead of monetary union.

The Central Bank of Turkey (CBT) has awarded Logica a two-year contract worth \$2m to develop and install a modern national interbank clearing and securities system. The move should strengthen Turkey's links with European member countries and will enable it to trade in the same currency as other members, a requirement for participation in European monetary union.

For Logica, which will announce details on Wednesday, the deal reinforces its position as world leader in the provision of national payment systems. The IT group already offers similar systems to central banks in Saudi Arabia, Ireland, Australia, New Zealand and Austria. Logica also provides and manages the payment network for all the UK's clearing banks.

Logica's software will provide Turkey's central bank with a modern, real time gross settlement system. This should increase the efficiency in which government securities can be traded on capital markets and ensure that Turkey's payment systems match EU standards. Mahmut Eroglu, of the Central Bank of Turkey, said: "This is one of the largest and most challenging projects in eastern European banking to date."

The software will provide the Central Bank's 72 commercial bank members with new generation software which includes a hot standby disaster centre and direct debiting.

Domecq buys sandwich chain

Clifford German

Allied Domecq yesterday announced plans to expand further its fast food business in the US by paying \$50m (£30m) in cash for Togo's, a chain of 200 franchised sandwich shops in California with an annual turnover of \$120m.

The Togo's chain will be enlarged to 1,000 outlets across the US, mainly in locations close to Allied Domecq's existing fast food outlets. It operates 3,370 Dunkin' Donuts coffee shops and 2,600 Baskin' Robbins ice-cream parlours in the US alone, and the three businesses will be managed as a single operation.

"The addition of Togo's will enable us to expand our customer offer with Dunkin' Donuts drawing customers primarily in the morning, Togo's primarily at lunchtime and Baskin' Robbins in the afternoon and evening. This complementary brand offering ensures that our locations can be productive throughout the day and provide our franchisees with improved returns," Stephen Alexander, chief executive of Allied Domecq Retailing, said yesterday.

Dunkin' Donuts is the world's largest coffee and donut chain, selling 4 million donuts daily. It is largely a breakfast

and morning business, making half its daily sales before 10am. Baskin' Robbins is the world's largest ice-cream franchise serving 10 million people a week, but 65 per cent of its sales are made between 3pm and 9pm each day. There are already 164 "Combo Stores" offering both Dunkin' and Baskin' brands on the same site.

Togo's caters largely for the lunchtime market for office workers. It offers a range of 30 different sandwiches, which are prepared in front of the customer in the US style.

Annual turnover of the 200 existing outlets is around \$120m, and the average sales of

\$600,000 ranks the outlets among the largest in the sandwich industry. Roughly half the business was takeaway and half was eat-in, and the customers were almost equally divided between men and women, a spokesman said yesterday.

In the next five years Togo's will be rolled out as a national chain of outlets with a planned 1,000 outlets across the rest of the US. The UK is also a target market and the brand could be brought into the UK within the next two years.

Togo's founder and former owner Mike Cobler, who set up the business 25 years ago, will stay on with the group.

IN BRIEF

Boeing earnings down despite sales leap

While reporting a slip in earnings for the second quarter, the Boeing Company yesterday revealed a 48 per cent leap in sales compared with the period a year earlier. The aircraft maker, which is bracing for a negative decision tomorrow from the European Commission on its proposed merger with McDonnell Douglas, said earnings fell to \$399m (£238m) for the quarter, down from \$468m in the second quarter of last year. This was slightly lower than Wall Street expectations. But Phil Condit, the Boeing chairman, said the drop in earnings was linked directly to the sudden surge in demand for its aircraft and the costs involved in stepping up production. Boeing said it expected to deliver no fewer than 340 to 350 aircraft this year compared with just 218 during 1996.

AT&T profits hit by US local markets

Signalling more woes in the US telecoms sector, AT&T yesterday revealed a 38 per cent drop in profits in the second quarter. The company blamed the high cost of breaking into local phone markets in the US for its disappointing results. MCI also warned costs of penetrating local markets when it issued its profits warning 10 days ago that has since called into question its merger with British Telecom. AT&T earnings for the quarter reached \$95m (£57m) compared with \$1.54bn in the same quarter a year ago. "We're certainly not pleased with the year-over-year decline in our earnings," commented AT&T chairman, Robert Allen.

Burford sells retail investment for £10m

Burford has sold its 38,500 sq ft retail investment in Norwich to Scottish Mutual Assurance for £10m, reflecting an initial yield of 4.96 per cent. The investment was acquired by Burford in December 1995 as part of a £48.8m property portfolio purchased from Scottish Widows. The retail outlet is let to Burtons on a 25-year lease from 1986 at a current annual rent of £510,000. Burford said the disposal reflects its strategy of selling smaller properties and focusing on larger investments and its development programme.

FTC questions Energy Group on merger

PacificCorp and Energy Group said they have received a second request for additional information from the US Federal Trade Commission in connection with their planned merger. PacificCorp and Energy Group said in a statement they are "working with the FTC to comply with this request in a timely fashion". Last month Energy Group agreed a \$3.7bn cash offer from PacificCorp at 690p per share.

Signet sales increase 6.6 per cent

Signet Group, the retailer of jewellery and watches, reported sales increases of 6.6 per cent in the first 23 weeks of the year to 12 July. The chairman, James McAdam, said US sales were up 9 per cent, with the UK chains Ernest Jones and H Samuel rising by 7.2 per cent and 1.4 per cent respectively. The capital restructuring which was approved by shareholders on 26 June became effective yesterday, resulting in the ordinary shares of 10p each and the four classes of preference shares being converted into new ordinary shares of 0.5p each.

Visual Action increase US presence

Visual Action Holdings has acquired Hospitality Resources, a Chicago-based hotel audio-visual company, for \$2.2m. The company, which hires out equipment to the media, said the acquisition will be funded from the group's existing resources. Hospitality Resources reported turnover of \$26.8m and earnings before interest and tax of \$2.6m for the year to 31 December, 1996. Visual Action's chief executive, Bob Ellis, said the group now had over 170 hotels under contract following the acquisition and had a presence in every region of the United States.

Company Results

	Turnover £	Pre-tax £	EPS	Dividend
Adams & Harvey (P)	48.8m (51.0m)	5.2m (4.0m)	67.4p (53.9p)	27p (24.5p)
Britannia Group (P)	13.8m (13.2m)	0.32m (2.7m)	0.27p (2.8p)	—
Great Packaging (P)	80.4m (48.0m)	3.8m (3.17m)	7.8p (5.2p)	4.125p (4.125p)
Lloydsbanking (P)	1.85m (1.37m)	4.00m (0.27m)	0.002p (0.103p)	—
Portair (P)	34.0m (25.0m)	2.10m (1.94m)	5.4p (4.1p)	2.1p (1.9p)
PSI (P)	—	18.0m (18.0m)	0.40p (0.10p)	—
Stanley (P)	198m (198m)	4.33m (3.08m)	5p (4.7p)	—
Unilever (P)	41.2m (24.2m)	0.86m (1.06m)	2p (4.32p)	4.2p (4p)
Veritas (P)	0.98m (1.0m)	0.22m (0.17m)	10.77p (10.00p)	—
(P) - Profit (P) - Market (P) - New months				

THE INVESTMENT COLUMN

EDITED BY MAGNUS GRIMOND

Doorstep services pay off for London & Manchester

The insurance sector has been an interesting place to be this year, with more government pension changes in the air and a constant background of takeover speculation. Yesterday's new business figures from London & Manchester and Sun Life & Provincial could add little to those debates, but gave some good pointers to the state of the underlying market.

Unlike famous names like the Prudential and Pearl, L&M has stuck with unfashionable "industrial branch" life insurance, aimed at workers without a bank account who typically save less than £100 a year. The Exeter-based group has just spent two years re-structuring its so-called home service in an attempt to revitalise the business.

The results look impressive enough. In the six months to June, the group recorded a 90 per cent jump in traditional doorstep-collected premiums to £1.7m and a 19 per cent up-lift to £2.6m in the only slightly more sophisticated ordinary branch business, operated through a bank account. Part of these increases represent recovery from a dramatic decline in market share suffered by L&M during the 1990s, while part can be ascribed to a beefing up in the sales force from 700 to 820 over the past year.

The real test is whether L&M can instil any excitement into selling savings to the great unwashed. The potential is huge – some 20 million people, of whom a third still do not have bank accounts, according to chief executive Tom Pyne. But it is not clear what the advent of the sort of cheap and cheerful pensions likely to be advocated by Labour will do for L&M. With some 10 per cent of premiums swallowed by distribution costs alone, traditional industrial insurance will look dear to politicians.

Meanwhile, the continuing competition in the existing pensions market is clear in the other figures. L&M was up 11 per cent in annual pension premiums to £1.4m in single premiums. Over at Sun Life, whose figures were forecasted in the documentation accompanying its planned £670m takeover of AXA Equity & Law, pensions have also been decidedly mixed in the six months to June. Single premiums were up 9 per cent at £391m, but regular prem-

iums slid 13 per cent to £49.7m. Within that, final salary payments crashed by about a half.

L&M's shares, up 1.5p at 409p, stand on a forward multiple of 12, assuming profits of £59m this year. On a gross forward yield of 6.7 per cent, they should be held. Sun Life's next figures are complicated by the addition of Equity & Law, but the shares, down 5p at 352p, have tripled since last year and on a forecast gross yield of 3.9 per cent, are probably high enough for now.

Sketchley pins hopes on ducts

You have to feel a bit sorry for John Jackson, Sketchley's chief executive. Running a combined dry cleaner, photo processor, duct laying and workwear provider cannot be his idea of a dream job. Having made his name at less traditional retailers like the Body Shop and Virgin, Mr Jackson has shown a fondness for spicing up the dull-old Sketchley brand with distractions like Feng Shui philosophy for the staff and in-store aromas for the customers. Unfortunately Sketchley's problems ran rather deeper.

What Mr Jackson failed to spot was a series of grave accounting irregularities which led to the resignation of Richard Meyers, finance director, in May. These included overstating profits and a staggering £5m shortfall in provisions for store closures. This was surely avoidable, particularly as Mr Meyers had been pulled off the board once before for questionable accounting.

Mr Jackson is now well aware that if the group fails to make the grade this year, he is unlikely to survive. However, he probably also knows that this year's numbers will look much better than last, with losses rising from £3.5m to £4.35m in the year to March. While dry cleaning and photo processing are mature, by slashing prices the group has been able to grow volumes. However, Mr Jackson has higher hopes for duct services and workwear, which he reckons could be four-fifths of the business in a year or so. The recently acquired duct business, ARM, will grow fast this year and textiles' weak margins will improve with the demise of a cut-throat competitor.

Nevertheless, Sketchley has a credibility problem. It is hard to see what unifies duct services, textiles and dry cleaning other than financial dire straits. Mr Jackson's lame argument that all are "business services" is, frankly, tosh. More likely is that high upfront costs in textiles need to be met by the cash generation from ducts. With gearing at 139 per cent, Mr Jackson will find it tough to hit his two-year target of 60 per cent. The shares, down 1.5p to 60p, are probably at a low on 8 times earnings, based on forecast profits of £9.2m for this year. A new name, likely soon, may help sentiment. But this company does not deserve a re-rating.

Sketchley: At a glance

Market value: £56.7m, share price 60p

Five-year record	1993	1994	1995	1996	1997
Turnover (£m)	104	143	140	139	158
Pre-tax loss (£m)	3.11	5.06	6.37	3.5	4.33
Loss per share (p)	4.9	6.7	7.2	4.7	5.0
Dividends per share (p)	3.0	3.2	3.4	3.5	nd

Sales by sector

£m

ARM 25.000p

Dry cleaning and photo processing £27.41m

Textiles services £76.41m

Share price

pence

140

120

100

80

60

40

1992 93 94 95 96 97

World of Leather looks good for Uno

Uno, the furniture retailer floated on the Alternative Investment Market last July, has had a buoyant first year on the market. Priced at 134p, shares in the family-run business have motored up to 295p, after another 3p rise yesterday.

Since the float, Uno has also completed its first important acquisition, with the £14m deal to buy the World of Leather stores in April, when it also took the opportunity to move up to the main market.

The World of Leather deal may have been criticised by snooty traditionalists for whom a black leather three-piece suite is social death, but it looks good as far as the City is concerned. Analysts point to figures that show the UK leather upholstery market should grow from £400m to £600m by 2001, outpacing growth in traditional furniture.

The combined Uno and World of Leather business has around 15 per cent of the market. Like-for-like sales are thought to have

grown at double-digit rates at World of Leather in the nine weeks since the year-end of 26 April and management is investing in more efficient systems and training.

Yesterday's results showed group profits before exceptional gains from £1.06m to £2.86m in the year to 26 April. The figures exclude any contribution from World of Leather. They also exclude £2m of exceptional charges for redundancies and stock write-offs, in line with expectations.

Sales at Uno, which has 11 outlets, are growing at 8.6 per cent in current trading. Management, led by Paul Rosenblatt, is sufficiently confident about World of Leather's prospects to add a further 20 outlets in the medium term, from the current level of 31.

Meanwhile, on full-year profit forecasts of £5.25m, the shares, up 3p at 295p, trade on a forward rating of 15, falling to 11. With a fragmented furniture market giving plenty of scope for growth, they look good value.

BT's ISDN lines can download from the internet up to four times faster, so access time isn't excess time. Why not change the way we work?

BT

To connect for only £20 more than a normal BT phone line

Freefone 0800 800 800

OFFER ENDS 12 10 97 ON LINES INSTALLED BY 9 11 97. FOR EXAMPLE, CONNECTION TO BT'S ISDN START-UP PACKAGE COSTS JUST £11.00 (VAT INCL) INCLUSIVE CALL ALLOWANCE OF £105 PA. MINIMUM CONTRACT PERIOD 2 YEARS. QUARTERLY LINE RENTAL £132.75 (VAT INCL).

The RBS Advanta Card

Notice to Cardholders of Interest Change

Due to the change in Base Rate from 6.50% to 6.75% your RBS Advanta Card interest rate for Purchases and Cash Advances will be amended accordingly from the first day of next month. Your interest rate margin over

Base Rate remains constant. Condition 5 of your RBS Advanta Card Conditions of Use is varied accordingly. If you have any questions about this change, please call our Customer Service Centre on:

0800 70 070 (Calls charged at local rate)

RBS ADVANTA

Registered in Scotland No. 157256. Registered Office: 42 St. Andrew Square, Edinburgh EH2 2YL. RBS Advanta is a joint venture company owned by The Royal Bank of Scotland plc and Advanta Corporation.

business

Japan Inc braces for a seismic shift in the new millennium

Japan may be coming back into the viewfinder of the financial markets. For the past five years the world's second-largest economy has not been attracting much attention. The long US boom has continued to amaze; the continental European recovery has continued to show promise but then disappointment; and the UK's mini-boom has naturally attracted a mixture of comment and concern.

By contrast Japan has not been much of a story. The economic recovery was halting with several false starts and only really getting going last year. The stock market, alone among the world's big securities markets, completely failed to join in the global recovery. Only the surge and subsequent tumble of the yen dragged market dealers out of their torpor.

In recent months, however, there has been the rumble of distant thunder. There are two stories round the corner which will unfold over the next 18 months, either of which may well have significant market impact, the first cyclical, the second structural.

The cyclical issue is this: will the plunge in the yen from a peak of ¥90 to the dollar to a trading range of ¥105-130 help secure a sustained, steady recovery similar to that experienced by the US? If it does, Japan will have the breathing space to carry through the complex series of structural and financial reforms it needs to make. It is much easier to make changes in a climate of growth than in one of stagnation.

That leads to the second issue. Are we seeing the early stages of seismic structural change that will make the Japanese economy much more productive in the next century? The analogy would be with the changes in the US and UK economies and which are beginning to happen in Germany.

In market terms, the first could herald the start of the long-awaited recovery in securities prices, while the second would secure any gains. So what is the evidence?

The latest figures from Japan have been distorted by higher sales tax in April. Unsurprisingly, retail sales



Hamish McRae

Japanese officialdom has been going through a gigantic exercise in soul-searching. What used to work no longer works

jumped ahead of the introduction, then fell back afterwards. Equally unsurprisingly, consumer confidence remains low, and the most recent forecasts have been revising growth downwards. Exports are helping - investment and exports are the two buoyant sectors in the economy, but the export sector in Japan is too small to make a big impact on economic growth. We think of Japan as a fearsome exporter but the size of exports proportionate to the economy is the smallest of any of the G7 countries.

So the immediate economic impact of the fall of the yen is much less marked than, say, changes in the value of sterling on the UK. However, there is a second-stage effect, through the profitability of its large companies. In purely accounting terms, foreign income from subsidiaries translates into greater profits if the yen is lower, but there is also a direct and disproportionate boost from physical exports. The ex-

perience of seeing the dollar worth less than ¥100 provoked large companies to take on further layers of cost. It probably does not now matter much whether "lower" is ¥125 or ¥110: for most companies exports are very profitable at either level.

If that is right, there is a basis for a recovery in consumer confidence, for it might mean the wave of cost-cutting by large companies is drawing to a close. There is a paradox here. The very success of large companies in cutting costs has been an important factor depressing confidence. This is because the way big firms have cut costs is to squeeze small ones. The pain has been passed down the line. This does not appear in the headlines but friends in Japan point to the very different world in which small and medium-sized firms live compared with that of the brand-name giants.

An essential precondition to a revival of consumer confidence is not general economic growth and a rise in personal incomes (as it would be here) but an increase in the margins of big business.

There is something else. Sustaining the cyclical recovery also requires confidence in structural reform. At the moment Japanese officialdom - not so much the politicians, more the ministries, the research agencies, and elements of big business - has been going through a gigantic exercise in soul-searching. What used to work no longer works. The results have shown up in initiatives like the financial market reforms, the Japanese "big bang". But here, as in its privatisation programme, Japan is simply applying good foreign practice to its own institutions. It is catching up, not pushing ahead.

The real test, and a test relevant to the country's self-confidence, is whether it can indeed push ahead again. Can it? No one can know. What we can see are areas where the outcome will be enormously important. Two examples: demography and creativity.

Demography is enormously important because Japan will in another 15 years become the oldest society on earth. Coping with an age-

ing population has become a common concern throughout the mature developed world. But it is one thing to try to cope with the problems; quite another to try to turn what might seem to be a competitive disadvantage into an advantage. Older people should in theory be able to bring qualities to an economy which younger people cannot. If the knowledge of its staff has become the main resource of corporations, older workers ought to be a stock of capital, not an unnecessary cost.

It is far too early to claim Japan is discovering answers to this puzzle, but people are starting to ask the questions, and if over the next couple of years interesting ideas start to emerge, these will become building blocks for a revival of confidence.

The other example is the need to foster creativity. Japan has been profoundly concerned at the way in which virtually all the creative software has been written in the US, not Japan. Talk to senior people there and they repeatedly acknowledge that the country has to move from hardware to software, even coining dreadful expressions to try to convey this, like "softomics". But efforts to foster creativity have been disappointing. The educational system does not encourage it; rather the reverse, hence the saying "the nail that sticks up must be hammered down".

But now the need to encourage creativity, and importantly entrepreneurship, is making Japanese educationalists rethink the way they teach. How to rebalance a national education system is an extremely tough question, as we know in the UK. But at least new thinking is going on, and until a problem is perceived it is impossible to think about fixing it.

There are many other aspects of this soul-searching much of it will have little impact for decades or more. The key point is that cumulatively the effect will be enormous, for Japan Inc is rethinking what will make it a competitive society in the 21st century. If it can reach convincing answers, that feeds through to confidence now. Suddenly Japan is becoming interesting again.

Guinness still nurses a £9m hangover from that bid battle

PEOPLE & BUSINESS

Thomas Ward, the American lawyer who advised Ernest Saunders during Guinness's controversial bid for Distillers, owes Guinness £9m.

Let me explain. Some readers may recall that in the dim and distant 1980s Mr Ward was paid the sum of £5.2m by Guinness for "valuable assistance" in the Distillers bid. Some £3m of this found its way into Mr Saunders' numbered account with Union Bank of Switzerland.

Because the payment was kept secret, the civil courts deemed it illegal and ordered Mr Ward to pay the £5.2m back to Guinness. He repaid some of it, but the rest of the sum outstanding, plus accumulated interest, now comes to £9m.

Guinness has given up hope of getting the money, I hear, since Mr Ward resides in the US, and there are no signs of him returning.

Corporate hospitality can go horribly wrong so easily - one thinks of sponsored cricket washed out by the rain - so it's nice to record an unexpected success.

Reuters is sponsoring 13 sporting luncheons this autumn to celebrate the recent British Lions tour of South Africa.

Now, when this banquet for a total of 7,500 people was planned earlier in the year, the accepted wisdom in this country as well as in South Africa was that the Lions would be lucky to escape alive against the mighty Springboks, let alone win any matches. The rugby world champions confidently predicted a whitewash against the spindly-legged northern hemisphere weeds.

Now that the Lions have won the Test series in such a spectacular fashion, Reuters has found itself sitting on an FR goldmine. A number of the luncheons, which start in September, are already sold out, with the rest going like hot cakes, I hear.

The idea is for punters to rub shoulders with past Lions such as Gavin Hastings, Willie John McBride and Phil Bennett, not to mention this year's captain Martin Johnson, at a series of banquets in Cardiff, London and other cities. Diners will also get a chance to



Thomas Ward: Paid £5.2m for his 'valuable assistance'

select their own Lions team, with their votes going to form a final Reuters Dream Lions team.

Reuters may find some willing ticket buyers at the City Law firm Linklaters & Paines, where the senior partners all seem to have cauliflower ears and a whiff of liniment.

James Wyness, who retired as senior partner last April, is currently the president of Saracens, the north London club, and a former player for another leading club, Linklaters' current managing partner, a tall Ulsterman called Barones Kyle, used to turn out for London Irish, while head of international finance Stephen Edman once played for Will Carling's club, Harlequins.

So be warned. If you decide to litigate against Linklaters, remember your gum shield.

As the Private Finance Panel Executive winds down and transfers its workload to the new Treasury-based PFI taskforce, panel member Robin Hutchings has joined accountants Arthur Andersen as their chief PFI expert.

Mr Hutchings, 35, trained originally as a chartered engineer rather than as an accountant, but he says civil engineering skills come in handy as most PFI projects involve physical assets. His career includes spells at Yorkshire Water and BP. It was during his MBA at Cranfield that he was approached to join the panel.

So will PFI overcome its teething problems? "As long as people have the right expectations, I think PFI is doing all it could at the moment." Very diplomatic.

Fancy winning a Jeroboam of champagne? Denton Hall is looking for the best name for the proposed new "Super-SIB" regulator.

Least any disgruntled financial executives come up with anything rude. Denton Hall warns that it shall "be entitled to publish the name and the firm of the winner," subject to their prior permission, of course. Entries should be sent to Rosalind Pretorius in Denton Hall's Financial Markets Group, to arrive no later than 4 August.

You have to be careful with new names. When the PIA was launched it drew a lot of jokes about "Pakistan International Airways". Some "pia" means "leakage" in some parts of Scandinavia, I'm told.

Colleagues are beginning to worry about Keith Gilchrist, chief executive of the packaging company Field Group, I hear. Over the last couple of weeks Mr Gilchrist has collected the award for Best Smaller Company Investor Relations at the Investor Relations Society dinner, and Best PLC at the Packaging Industry Awards.

Apparently Mr Gilchrist is getting a little bit too used to the celebrity routine of leaping on stage and thanking everyone for this wonderful award etc. After all, "he isn't George Clooney", remarks one co-worker.

John Willcock

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	162.4	16.16	55.62	1000	162.4	16.16	55.62
Canada	23.24	71.66	209.27	137.91	23.24	71.66	209.27
Germany	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
France	6.331	340.20	890.80	60.95	16.13	359.34	890.80
Italy	282.16	12.14	18.07	174.8	174.8	463.40	37.99
Spain	162.4	16.16	55.62	1000	162.4	16.16	55.62
UK	159.8	35.31	109.70	132.5	159.8	35.31	109.70
Belgium	61.76	21.15	59.01	39.90	78.74	22.24	62.07
Netherlands	1.420	340.20	890.80	60.95	16.13	359.34	890.80
Sweden	3.273	106.96	316.34	20.69	45.42	129.97	12.57
Norway	1.171	8.2	22.16	14.80	10.7	17.16	43.7
Denmark	12.382	39.20	110.7	7.00	10.7	17.16	43.7
Switzerland	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Australia	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Hong Kong	12.382	39.20	110.7	7.00	10.7	17.16	43.7
South Africa	4.407	34.01	102.43	23.93	40.30	129.97	12.57
New Zealand	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Saudi Arabia	6.2500	37.33	129.10	37.90	16.13	359.34	890.80
Singapore	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	162.4	16.16	55.62	1000	162.4	16.16	55.62
Canada	23.24	71.66	209.27	137.91	23.24	71.66	209.27
Germany	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
France	6.331	340.20	890.80	60.95	16.13	359.34	890.80
Italy	282.16	12.14	18.07	174.8	174.8	463.40	37.99
Spain	162.4	16.16	55.62	1000	162.4	16.16	55.62
UK	159.8	35.31	109.70	132.5	159.8	35.31	109.70
Belgium	61.76	21.15	59.01	39.90	78.74	22.24	62.07
Netherlands	1.420	340.20	890.80	60.95	16.13	359.34	890.80
Sweden	3.273	106.96	316.34	20.69	45.42	129.97	12.57
Norway	1.171	8.2	22.16	14.80	10.7	17.16	43.7
Denmark	12.382	39.20	110.7	7.00	10.7	17.16	43.7
Switzerland	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Australia	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Hong Kong	12.382	39.20	110.7	7.00	10.7	17.16	43.7
South Africa	4.407	34.01	102.43	23.93	40.30	129.97	12.57
New Zealand	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Saudi Arabia	6.2500	37.33	129.10	37.90	16.13	359.34	890.80
Singapore	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27

Forward rates quoted high to low are at a discount; subtract from spot rate.
Rate quoted low to high are at a premium; add to spot rate.
For the latest foreign exchange rates call 0800 123 3033.
Cells cost 50p per minute.

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	162.4	16.16	55.62	1000	162.4	16.16	55.62
Canada	23.24	71.66	209.27	137.91	23.24	71.66	209.27
Germany	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
France	6.331	340.20	890.80	60.95	16.13	359.34	890.80
Italy	282.16	12.14	18.07	174.8	174.8	463.40	37.99
Spain	162.4	16.16	55.62	1000	162.4	16.16	55.62
UK	159.8	35.31	109.70	132.5	159.8	35.31	109.70
Belgium	61.76	21.15	59.01	39.90	78.74	22.24	62.07
Netherlands	1.420	340.20	890.80	60.95	16.13	359.34	890.80
Sweden	3.273	106.96	316.34	20.69	45.42	129.97	12.57
Norway	1.171	8.2	22.16	14.80	10.7	17.16	43.7
Denmark	12.382	39.20	110.7	7.00	10.7	17.16	43.7
Switzerland	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Australia	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Hong Kong	12.382	39.20	110.7	7.00	10.7	17.16	43.7
South Africa	4.407	34.01	102.43	23.93	40.30	129.97	12.57
New Zealand	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Saudi Arabia	6.2500	37.33	129.10	37.90	16.13	359.34	890.80
Singapore	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27

Country	Spot	1 month	3 months	D-Mark	Spot	1 month	3 months
US	162.4	16.16	55.62	1000	162.4	16.16	55.62
Canada	23.24	71.66	209.27	137.91	23.24	71.66	209.27
Germany	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
France	6.331	340.20	890.80	60.95	16.13	359.34	890.80
Italy	282.16	12.14	18.07	174.8	174.8	463.40	37.99
Spain	162.4	16.16	55.62	1000	162.4	16.16	55.62
UK	159.8	35.31	109.70	132.5	159.8	35.31	109.70
Belgium	61.76	21.15	59.01	39.90	78.74	22.24	62.07
Netherlands	1.420	340.20	890.80	60.95	16.13	359.34	890.80
Sweden	3.273	106.96	316.34	20.69	45.42	129.97	12.57
Norway	1.171	8.2	22.16	14.80	10.7	17.16	43.7
Denmark	12.382	39.20	110.7	7.00	10.7	17.16	43.7
Switzerland	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Australia	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Hong Kong	12.382	39.20	110.7	7.00	10.7	17.16	43.7
South Africa	4.407	34.01	102.43	23.93	40.30	129.97	12.57
New Zealand	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27
Saudi Arabia	6.2500	37.33	129.10	37.90	16.13	359.34	890.80
Singapore	2.2825	97.40	289.27	170.7	2.2825	97.40	289.27

Interest Rates					
US	6.75%	Germany Discount	2.50%	US Prime	8.50%
Canada	7.00%	Canada Discount	2.50%	Canada Prime	8.50%
Switzerland	3.00%	Canada Prime	4.75%	Prime Discount	5.50%
Italy	6.25%	Prime	4.75%	Prime Discount	5.50%
Spain	6.25%	Prime	2.50%	Prime Discount	5.50%
Netherlands	2.90%	Denmark Discount	3.25%	Sweden Repo (Ave)	4.30%
Advances		Discount			

Bond Yields									
Country	1yr	7 yr	10 yr	yield %	Country	1yr	7 yr	10 yr	yield %
US	7.12%	7.15	7.25%	7.08	Netherlands	2.29%	2.29	2.29	2.29
Canada	6.87%	6.17	6.25%	6.28	Spain	7.90%	7.90	7.90	7.90
Japan	5.50%	5.48	5.50%	5.48	Italy	6.25%	6.25	6.25	6.25
Australia	10.0%	11.7	11.75%	6.80	Belgium	8.00%	8.00	8.00	8.00
Germany	6.0%	4.84	6.0%	5.57	Sweden	13.0%	13.0	13.0	13.0
France	4.75%	4.50	5.50%	5.48	ECU/DT	10.0%	10.0	10.0	10.0

Yields calculated on liquid basis. yields based on 30-day repo

Money Market Rates			
Overnight	7 Day	1 Month	3 Month

Scottish clubs' decline and stall

Glaswegian hands raised the European Cup in May, as they did exactly 30 years earlier. If the moment failed to provoke joy or jealousy in the city it was because Paul Lambert was showing it to the followers of Borussia Dortmund rather than those of Celtic, Rangers or any other Scottish club.

The success enjoyed by Lambert, who was regarded as a useful but unremarkable midfielder during spells with St Mirren and Motherwell, contrasted sharply with the performance of Scotland's entrants in the three Continental competitions.

Rangers, for all their domestic dominance, carried into the Champions' League all the clout and cunning of a play-ground bully thrown in with Evander Holyfield. Drawn with an ailing Ajax and the French and Swiss champions, they mustered a solitary win amid five defeats.

In the Uefa Cup, Celtic scraped past Slovan Bratislava but were outclassed by Hamburg. Aberdeen saw off Barry, though only by 6-4 overall, as well as a Lithuanian outfit, only to be embarrassed by Denmark's Brøndby. Hearts fell in the preliminary round of the Cup-Winners' Cup.

This collective failure, which compounded mediocre results for most of the 1990s, has resulted in Scotland's standard bearers being lumped in with the representatives of Andorra and Azerbaijan, Luxembourg and Liechtenstein when the qualifying stages get underway tomorrow.

Worse still, Rangers must for the first time win two preliminary ties, the second a tall order against Gothenburg, to reach the lucrative group phase of the Champions' League.

Some view the situation as

Once the scourge of Europe, teams from north of the border are this week having to pre-qualify against sides from football's margins. Phil Shaw reports

a realistic reflection of the status of clubs in a nation of four million. Yet the national team regularly exposes such arguments as utterly pessimistic. Under the progressive stewardship of Craig Brown, they are again in with a strong chance of going to the World Cup finals and lie 24th in Fifa's world rankings.

History, too, shows that Scotland can do better. Apart from Celtic's triumph in '67, Rangers took the Cup-Winners' Cup five years later. Dundee, Dunfermline and Kilmarnock reached European semi-finals in the 1960s. Aberdeen overcame Real Madrid to lift

the Cup-Winners' Cup 15 years ago, since when Dundee United's gallant failure in the Uefa Cup of '87 has provided the only final appearance.

Rangers' sweet double over Leeds five years later is as close as Scotland has come to distinction in the interim. Moreover, when the Ibrox side drew at Marseilles, where victory could well have put them in the final, 11 of the 13 players used by Walter Smith were Scots.

Well before then, though, a consensus had grown that there were simply not enough home-grown players of the requisite quality. When Celtic conquered Europe with a team of players all born within 30 miles of Parkhead, there was an overflowing pool of natural talent.

For various reasons — among them the proliferation of alternative leisure pursuits and the demise of the street games which fostered the skills of many a ball artist — it has steadily dried up. Some critics, ignoring the fact that country has done well at youth and Under-21 level, blame the Scottish FA.

The greater responsibility surely lies with the clubs. Rangers, who could have been a shining example along the lines of Ajax, have placed no obvious emphasis on youth development. Locked into a quick-fix mentality, whereby beating Celtic to the League was all that mattered, the nine-a-row champions have opted for buying ready-made first-teamers.

As a symbol of blinkered

attitudes, the training pitch over which Rangers laid tarmac to create extra parking space takes some beating.

The set-up of the Scottish Premier Division also militates against technical excellence. It is a source of frustration to Brown, who encourages an altogether more composed approach with Scotland — that his players often battle through three fiercely attritional games every eight days in the weeks leading up to a crucial international.

Nor have changes in the European transfer system, post-Bosman, been conducive to progress. Lambert, for example, would have cost Celtic a seven-figure sum had they

pursued their interest. Dortmund, who acquired his services free, could afford to gamble on him, as they did again last month with Aberdeen's Scott Booth.

The Continental drift has not been one-way. Worryingly for Brown, Rangers have recruited eight foreigners, including five from Italy. While fans may be playing the Scott against Gotti in the Faroe Islands tomorrow, the influx is a belated acknowledgement that their club must become a major force in Europe to justify the massive outlay of the past decade.

Significantly, Smith also has a new coach, Tommy Moller Nielsen. The son of the man

who made Denmark European champions, his task must be to introduce a less frenzied style. As the Catholics (albeit Italian) were taking over Ibrox, Celtic were appointing a manager who once won the Orange of King Billy's homeland. Wim Jansen should open with a win against the Cardiff part-timers. Inter CableTel, though the true test, as with Rangers, lies further ahead.

Craig Brown welcomes the Old Firm's bold appointments. Sadly he is not alone in wondering if anything will change: whether a public steeped in the aggression and tribalism of Scottish football will stand for the "European" way.

Success has been elusive for Scottish teams since Alex Ferguson's (left) Aberdeen beat Real Madrid in the 1983 Cup-Winners' Cup

Photograph: Empics

and five years of disappointment

1983-84
Rangers won the Cup-Winners' Cup, beating Real Madrid 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Bayern Munich in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1984-85
Rangers won the Cup-Winners' Cup, beating Ajax 1-0 in the final. Celtic were runners-up, losing 1-0 to Bayern Munich in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1985-86
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1986-87
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1987-88
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1988-89
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1989-90
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1990-91
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1991-92
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1992-93
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1993-94
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1994-95
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1995-96
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1996-97
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1997-98
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1998-99
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

1999-00
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2000-01
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2001-02
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2002-03
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2003-04
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2004-05
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2005-06
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2006-07
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2007-08
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2008-09
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2009-10
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2010-11
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2011-12
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2012-13
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2013-14
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2014-15
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2015-16
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2016-17
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2017-18
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2018-19
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2019-20
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2020-21
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2021-22
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2022-23
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2023-24
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2024-25
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2025-26
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2026-27
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2027-28
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2028-29
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2029-30
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2030-31
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2031-32
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2032-33
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2033-34
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2034-35
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2035-36
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2036-37
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2037-38
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2038-39
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2039-40
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2040-41
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2041-42
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2042-43
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2043-44
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2044-45
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2045-46
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2046-47
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2047-48
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2048-49
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2049-50
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2050-51
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2051-52
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2052-53
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2053-54
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2054-55
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2055-56
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2056-57
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2057-58
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2058-59
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2059-60
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2060-61
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2061-62
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2062-63
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2063-64
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

2064-65
Rangers won the Cup-Winners' Cup, beating Bayern Munich 1-0 in the final. Celtic were runners-up, losing 1-0 to Ajax in the semi-final. Aberdeen were third, losing 1-0 to Borussia Dortmund in the quarter-final. Hearts were fourth, losing 1-0 to Borussia Dortmund in the quarter-final.

Continental drift

Phil Shaw on the decline of Scottish club football, page 23

sport

So farewell, Essex man

Derek Pringle looks back on Graham Gooch's career, page 22

Sforza the latest to say no to Everton

Football

ALAN NIXON
AND NICK DUXBURY

Ciriaco Sforza yesterday joined Fabrizio Ravanelli and Paul Ince in rejecting Everton, the Swiss international midfielder preferring to play his football next season with his former club Kaiserslautern.

Howard Kendall's £3m offer had been accepted by Internazionale and the 27-year-old Sforza was expected at Goodison today to discuss personal

terms. Kaiserslautern, however, matched Everton's offer and the player has signed a four-year deal worth £15,000 a week.

Kendall, who had described Sforza as "an outstanding player, a leader", missed out on his Inter team-mate Ince when he joined Liverpool and abandoned a £7.5m move to sign Ravanelli when the striker demanded £50,000 a week. Ravanelli will meet the Boro manager Bryan Robson today to explain why he has missed the first three weeks of pre-season training.

Les Ferdinand, another Kendall target, wants to remain at Newcastle United, despite their willingness to sell. "I have never said that I want to go. I would love to stay," the 30-year-old England striker, said. "Don't forget Alan Shearer and myself formed the most successful partnership in the Premiership last season. Why would I want to walk away from all that?"

Blackburn Rovers will play the first month of the season without Tim Flowers while the England goalkeeper recovers

from a hernia operation. Flowers' absence and the departure of Shay Given to Newcastle leaves Rovers with only the untried keeper John Flann to call on. There are other worries, too. Central defender Colin Hendry is still struggling for fitness and the full-back Henning Berg damaged ankle ligaments playing for Norway on Saturday. Rovers have lost out on Matt Holmes, the 27-year-old midfielder who cost £1.2m from West Ham United 19 months ago, having signed for Charlton Athletic for a bargain £250,000.

David Hopkin, the Scottish midfielder whose goal took Crystal Palace into the Premiership, has finally signed for Leeds United for £3.35m, leaving reluctant sellers Palace free to concentrate on completing the £2.1m purchase of Juventus' Attilio Lombardo.

Ray Lewington, the Palace assistant manager fears the winger's £600,000 a year wages risks dissatisfaction among the lesser-paid players, with little guarantee that he will repay the investment.

"He has a great reputation

He's certainly been there, seen it, done it. It's an exciting prospect," Lewington said. "But it just worries me sometimes that we look for 'names' now. He's going to cost a lot of money and his personal terms will far outweigh those on our own books. If he comes and does it then great. If he's come for a big payday then it could backfire."

Dave Jones' first signing as the manager of Southampton could be the former Birmingham City player Jose Dominguez. Jones' offer of

£1.5m for the Portuguese winger has been accepted by Sporting Lisbon.

Leicester City have settled a fee with Crewe Alexandra for the Welsh midfielder Robbie Savage without needing a tribunal. They will pay £400,000 down, plus a further £250,000 after 100 appearances.

Brighton's new board are confident the Third Division club will survive a vote on Thursday to decide whether they should be expelled from the Football League. They face an extraordinary

general meeting of football league chairmen after failing to meet the original deadline on June for a £500,000 bond to secure their status.

The bond, which is also a guarantee that Brighton will return to Sussex in three years after a period of ground sharing, has now been lodged, and the issue facing the panel is whether the delay is sufficient grounds for expulsion.

"The delays were legal and beyond our control," Dick Knight, the Brighton chairman-elect, said.

Brady ponders a Brum name gain

Karren Brady yesterday indicated her willingness to change Birmingham City's name if the price was right. Brady, the club's managing director, said she would be prepared – enthusiastically even – to make such a move provided there was sufficient financial reward.

The footballing authorities responded to Brady's statement with surprise, but may be powerless to prevent such a change.

Birmingham are desperate to return to football's top division which they left – when it was still called the First Division – in 1986. To do so Brady is apparently ready to explore every avenue, including dropping a name which has served them for nearly a century.

Speaking on BBC2's *Working Lunch*, she said: "I would be prepared to change the name of the club and I think that is the way most clubs are going."

"You cannot do everything on your own. We do need a partnership with someone whose ambitions match ours. We took 48,000 people to Wembley recently, and it could have been more, which shows our potential to a big company."

"We would change the name, either of St Andrews or Birmingham City. That would be something which is going to happen with such partnerships in future – and I hope it happens."

Birmingham were founded as Small Heath Alliance in 1875. In 1888 the "Alliance" was

dropped, and in 1905 they became Birmingham. Forty years later the "City" was added.

Both the Premier and Nationwide League said yesterday that there was nothing in their regulations to prevent a club changing its name to include a sponsor. However, the Football Association stressed that any proposal would need its approval.

A Football League spokeswoman admitted the idea was "untested water" but remained open-minded. She said: "We have had name changes in the past, such as Orient becoming Leyton Orient again, but adding a sponsor has no precedent."

"There is nothing in the regulations which suggests we would automatically disapprove of such a change. One concern is it might get confusing were clubs to change their name every time they changed their sponsor which at the moment is quite a frequent occurrence."

Mike Lee, a Premier League spokesman, said: "It is an interesting question, but none of our clubs are proposing such a switch so it is not an issue. As it stands however there is nothing in our rule book to prevent a name change, but if a club were planning to do so formally we would expect to be consulted as would the FA."

Steve Double, the FA spokesman, said: "At county level incorporating a sponsor's name needs FA approval, and that would apply to any league club too. There are a series of rules which govern sponsorship so such a major step would need to be sanctioned – but we would be prepared to listen to what was being proposed."

A precedent has already been set with sponsored grounds such as Middlesbrough's Celtic Riverside stadium and Bolton's new Reebok stadium.

Colombian dedicates goal to coke barons

The goalscorer in Colombia's 1-0 victory over Ecuador in a World Cup qualifying match in Bogota on Sunday has dedicated his decisive strike to the country's jailed cocaine barons, while the nation's president, Ernesto Samper, said the triumph had the "smell of French cheese and Colombian coffee".

"I'd like to dedicate the goal to all those who for some reason or another are deprived of their freedom. I'd like to dedicate it to Miguel and Gilberto Rodriguez [Orjuela]," Anthony De Avila told reporters after settling the match with his goal in the 86th minute.

The Rodriguez Orjuela brothers headed the Cali drug cartel, estimated to have been responsible for 80 per cent of the world cocaine supply, before their capture in mid-1995. De Avila plays for the New

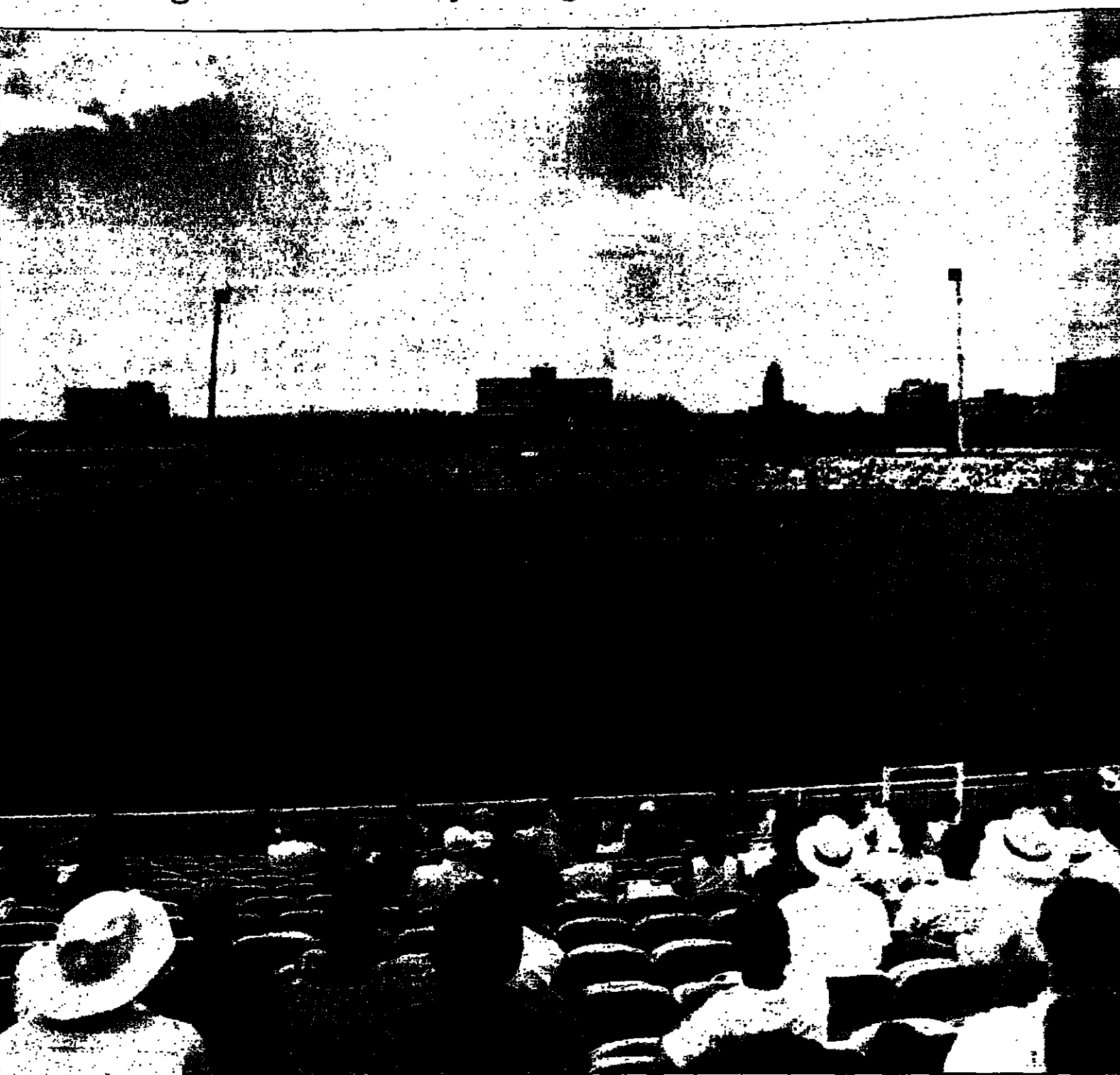
York-New Jersey side in the Major Soccer League, but he previously played in Colombia for the Cali-based America team, of which the Rodriguezes were reputed to be the main shareholders.

The triumph, which follows a recent spell of lacklustre performances, brings Colombia a step closer to earning a place in the World Cup finals in France next year.

Minutes after the end of the match, as he inaugurated a new session of Congress in Bogota, Samper told legislators: "The victory has the flavour of French cheese and the smell of Colombian coffee."

Samper, who allegedly financed his 1994 election campaign with \$6million (£3.7m) from the Cali cartel, was apparently unaware of De Avila's controversial comments.

CRICKET: Lights on for an history-making affair between two first-class counties



Bring on the night: Crowds gather at Old Trafford for the first floodlit game between Lancashire and Yorkshire

Photograph: Victoria Matthews

Glow of approval from Old Trafford

David Llewellyn canvasses opinion on Lancashire's attempt to broaden the game's appeal with a floodlit game

An incident early on in this day-night match of four quarters summed up the mood of the crowd at Old Trafford, and at least one player, Darren Lehmann, Yorkshire's Australian batsman was down on the third-man boundary, with Peter Hardy coming in from the Stretford End.

In a spare moment between deliveries Lehmann swapped his floppy sun hat for a supporter's knitted handkerchief. It was a crowd-pleaser and it raised a laugh, setting the tone as far as crowd was concerned.

It was ideal, too, as far as Lancashire were concerned, since the whole idea was to try to broaden the appeal of the game. It got the vote of one Lancashire member, Mike Moore, who had brought a coachload from Morecambe, 70 miles away.

"It's something new," Mr Moore said, "and it brings new people into the game, then perhaps they will start to come to watch proper cricket, the County Championship, Sunday League and so on."

That it was billed as a friendly – if a Roses match can ever be described as such – did not bother Mr Moore.

"It's a bit of fun," he said. "It doesn't matter who wins, as long as Lancashire don't lose. With a bit of razzmatazz thrown in, there is a good atmosphere. The floodlights make it quite dramatic and the new format is a good idea."

He was backed up by Andrew Speed, a Yorkshire member from Rotherham. But he felt that floodlights could be used in a current domestic competition. "It's a very good idea," Mr Speed said, "and I think it could be used to some

success in the Sunday League. They could start later and allow more people to get to the matches."

The whole showpiece has been underwritten by Mohan Kripalani, a businessman who has forked out close to £40,000 for the lighting and also paid for the security. The only income Lancashire can expect, since they have not charged Mr Kripalani for the hire of Old Trafford, will come from catering sources. Gate receipts and hospitality box fees go to the promoter.

The hope is that it will attract more people to the game. David Edmundson, the Lancashire cricket secretary, explained: "We need to push back the barriers of traditionalism in the game. We need to kindle interest among people who would never have gone anywhere near a game of cricket before."

Of course, the idea has been tried before. Lancashire even won a floodlit competition in 1981, although that was staged at five football grounds.

Somerset staged one during Viv Richards' benefit season in the mid-1980s, while just up the road at Gigg Lane in Bury in 1954 an England XI captained by Cyril Washbrook took on a Commonwealth XI led by Sir Frank Worrell. They also used a white ball, but although England won, the consensus was that it would never take off.

For the status, yesterday's effort was the first to be played by two first-class counties on a Test ground, and it was the first

time the split format has been applied in this country. It was adopted to ensure that both teams played in daylight and under lights. Lancashire batted for 25 overs in afternoon sunshine, Yorkshire followed, then Lancashire returned to finish off their innings. It certainly helped to maintain the interest.

The one cross element was the poor man on the public address system. Armed with his radio microphone he tackled the batsman as they left the square after being dismissed, which is rather like sticking your head in a lion's mouth and waiting until it bites. Which is what happened when Mike Watkinson, the Lancashire captain, was walking off after being bowled by Craig White.

Matt Procter, the man with the mike, asked him: "What was that then? A big swing across the line?" A less than grunted Watkinson retorted: "Oh you're a coach as well now are you?" Perhaps he was thinking of the £2,500 man-of-the-match award which was there for the taking, together with £7,500 for the winning team.

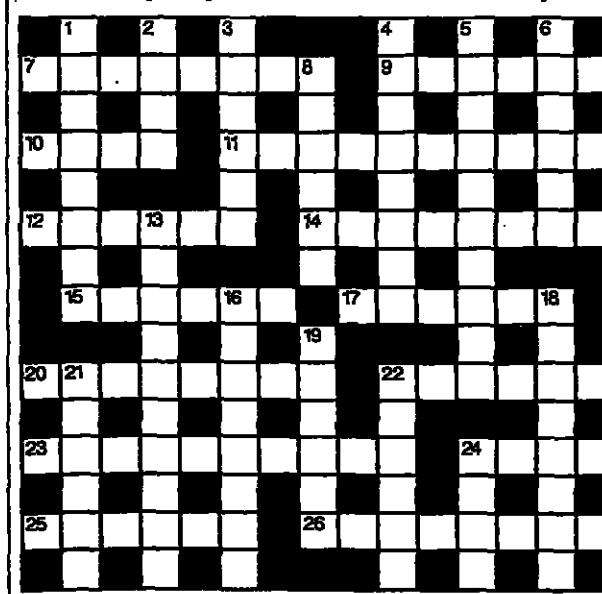
No matter. This was more than a friendly, it was a serious experiment to try to generate interest in what many feel is a dying game. There were close on 4,500 – a lot more than showed up for the pre-season friendlies between the two sides. If Lancashire, and one or two others, notably Surrey, Sussex and Warwickshire, have their way, this could be the future for cricket.

THE INDEPENDENT CROSSWORD

No. 3387 Tuesday 22 July

By Astrid

Monday's Solution



WARMUP HEADLOCK
TARHOYTAL
LOUNGESUIT
TITUS
AIRFORCE CONVEY
EWH
BASS OVERSEAS
RT
ACQUAINTANCE
HAVENED RUMOR
NLRORAE
UGLY ANTONESSES
ENVY
AUGUSTINE DITIER

ACROSS

- 7 Outlook for religious group setting power (8)
- 9 Tires English transport – always late (6)
- 10 Grey one's reluctant to be seen (4)
- 11 For Spanish wine to get round America would be extraordinary (10)
- 12 Bishop's title to replace name in unimportant visual aid? (6)
- 14 Failure follows fellow's cheek appearing in sandal (4-4)
- 15 Perhaps panicky talk as it's very black in storm (6)
- 17 Disoriented hikers will give cry of delight? (6)
- 20 A wise person will take medication for a loss of fluid (8)

DOWN

- 22 Back English writer (6)
- 23 Rage about in gastric upset? This branch of medicine is upset (10)
- 24 A method with which one's not at home (4)
- 25 Such a cleaner is absolutely nothing (6)
- 26 Will be returning cheer about male line in 24 hours (8)

Singular birds and bees

- 5 Singular birds and bees could be a thing one must accept (4,2,4)
- 6 For paying out company dues this could be used in Portugal (6)
- 8 Argument about one securing right list of charges (6)
- 13 Not docile about warning sound on debts (10)
- 16 Heavy metal slot lasting from conception to production (4,4)
- 18 Native Australian carved oak organ (8)
- 19 Fancifully remove old Scot to draw (6)
- 21 Arbitrator meets one in lead house (6)
- 22 Open this magic seed (6)
- 24 One holding right bit of land (4)

SUMMER SALE

DEPARTURES JULY & AUGUST



PARIS

1 night B&B Fri & Sat •
or 2 nights B&B midweek •
★ ★ ★ Grand Hotel de Paris •
Additional nights £13

• 1 night B&B Fri & Sat £115
• 2 nights B&B midweek £130
• ★ ★ ★ Novaxox
• Additional nights £30

City Escapes (1 n)

AMSTERDAM

1 night B&B
★ ★ ★ Amstel Hotel
Additional nights £29
Heathrow, Gatwick
& Manchester

Thomson (1 n)

PRAGUE

2 nights B&B •
★ ★ ★ Julian •
Additional nights £27



• London and regional airport departures available
• Centrally located hotels with ensuite bathrooms
• Exclusive & charming hotel upgrades available

Telephone for best prices to:
Barcelona, Bruges, Budapest, Dublin,
Florence, Lisbon, Istanbul, Madrid,
Nice, Rome, Seville and Venice.

All prices do NOT include any airport taxes.
Prices per person based upon two people sharing a room.
ALL OFFERS SUBJECT TO AVAILABILITY
For reservations phone Mon to Thu 09.00 to 18.00 hrs, Friday 09.00 - 14.00 hrs

0171 565 6677
CITYTRAVELLER DIRECT LTD